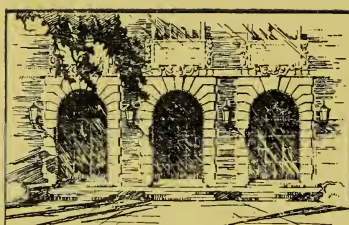


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67TH ANNUAL REPORT

OF THE

INTERSTATE COMMERCE
COMMISSION



NOVEMBER 2, 1953



UNITED STATES
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WASHINGTON : 1954

INTERSTATE COMMERCE COMMISSION

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REPORT OF THE INTERSTATE COMMERCE COMMISSION

WASHINGTON, D. C., November 2, 1953.

To the Senate and House of Representatives:

The Interstate Commerce Commission has the honor to submit herewith its 67th annual report to the Congress. The period covered by this report extends from November 1, 1952, to October 31, 1953, except as otherwise noted.

A statement of appropriations and aggregate expenditures for the fiscal year ended June 30, 1953, is contained in appendix F to this report.

TRANSPORTATION DURING THE YEAR

Carriers in the several fields of transportation have faced many difficult problems during the current year, shippers have had to contend with a high level of transportation charges, and we have had a full measure of complex issues with which to deal. The year as a whole, however, did not present as serious problems of adjustment to changed or uncertain economic conditions as did the immediately preceding years. The ending of price controls and in large part of the program for allocations of critical materials, along with the release of wages from control, necessarily simplified carriers' problems in important respects, though these changes were not without repercussions. The signing of the truce in Korea had less effect on the domestic economy and on carriers than some had anticipated. Industrial production was at a very high level in the first 6 months of 1953 and the rate of advance over the preceding year increased through July. Production was at a somewhat lower level in the ensuing months, but the year as a whole may be expected to set a new record. The defense production program has been, of course, an important factor in this showing, though it also has entailed uncertainties in its more detailed aspects, with resulting need for adjustments by carriers. As the year progressed, buyers' markets appeared for some consumer durable goods, and there were spotty layoffs in the plants which produce such goods. The chief weak spot in the economy is agriculture. In the first 9 months of 1953, prices received by farmers were 11 percent under prices in that period of 1952, while prices paid, including interest and taxes, were lower by only 3.0 percent.

The level of consumers' prices advanced moderately, beginning in March, to an alltime high. There were expressions of fears of further inflation and also of possible deflation. At the close of this report period there was much speculation as to whether the unusually high level of production and general prosperity could be maintained much longer. There were predictions from expert sources that a letdown would occur in 1954, but that it would be of only minor proportions. Necessarily, accurate forecasting in the face of the many complex factors—domestic and foreign—which must be reckoned with is a highly difficult undertaking.

Aside from these considerations, the problems faced by carriers and in various instances by shippers were generally such as we have discussed in recent reports, and which we also consider in the present report. Conspicuous among these problems are severe interagency competition, the passenger-train service deficit, high costs in certain branches of water transportation, the small shipments and express problems, taxes, and coping with employees' demands for higher wages and further "fringe" benefits.

On the other hand, there are many favorable factors, such as the generally good condition and ample supply (in terms of current needs) of carrier facilities, the modernization of these facilities to reduce costs, improve service, or increase capacity, an abundance of generally good service, advances in technology and improved operating practices, and a more general desire to search out and experiment with new ideas or methods.

Changes in traffic, rates, and cost.—The various modes of transportation contributed differently to the decline of 3.2 percent in total for-hire and private ton-miles in 1952 compared with 1951. Rail ton-miles declined 4.9 percent and inland waterway ton-miles 6.7 percent. Both branches were affected by the midyear steel strike. Highway, pipeline, and airway ton-miles increased 0.9, 3.5, and 9.7 percent. While the rail proportion of total ton-miles fell from 55.9 in 1951 to 54.9 percent in 1952, rail ton-miles in 1952 were higher than in 1949 and 1950 but not as high as in 1947 and 1948. The volume of rail passenger service is, however, far below war and prewar levels in the twenties. In 1952 it accounted for 7.4 percent of the total, buses for 4.4 percent, airways for 2.6 percent, inland waterways for 0.3 percent, and the private car for 85.3 percent. Rail tons originated in the first 6 months of 1953 were 0.4 percent greater than the tons for that period of 1952, while the index of total industrial production increased 11.2 percent.

As shown elsewhere, railroads contributed 63.0 percent of the total revenue of \$17.9 billion (partly estimated) of carriers subject to our jurisdiction in the 12 months ended June 30, 1953, and motor carriers

of property 26.5 percent. No general increase in rail rates occurred in this period, but there were advances in motor rates in a number of areas. All of the other principal primary agencies showed revenue increases over the calendar year 1952, with motor carriers of property and pipelines gaining the most. There was an increase of 11.9 percent in the revenues (after express privilege payments) of the Railway Express Agency, Inc.

There was a decline of 9.3 percent in tons of less-than-carload traffic in the first 6 months of 1953 compared with that period of 1952, whereas the index of manufactures of durable goods increased 17.0 percent and the index of manufactures of nondurable goods increased 6.4 percent. Many factors contribute to the continuing decline in this traffic. Shippers desire this service and wish it to be improved. There have been scattered suggestions in the year that a single agency or other new arrangement be considered as a means of coping with this problem. At times it has been suggested that all smaller shipments be handled in a unified manner. Objections are raised to any such plan. The railroads have given indications of their interest in retaining and developing less-than-carload traffic by provision of modern freight houses, expedited train service, special device cars, use of containers, creation of a research group to study the problem, and in other ways. The problem remains a serious one.

Abandonment of a substantial mileage of railroad lines has been authorized during the year. Interest in the possibilities of consolidations of railroad properties appears to have risen to some extent in this period.

Interagency competition.—The intense competition in which the several modes of transportation engage and the continuing and difficult problems it presents to us have been discussed in several recent reports. There has been no abatement of the intensity of this competition in the current year. It shows itself principally in rate maneuvers, some of which are carried to great extremes. It also appears in the form of railroad objections to grants of operating rights and at times to proposed unifications of motor-carrier properties, as well as in ways which are not of direct concern to us.

During the year there has been additional discussion of proposals looking to a number of basic changes in transportation regulation. These proposals involve change in certain legislative standards to overcome what the proponents regard as impediments to the exercise of proper managerial discretion. Certain others, however, would add to regulation. The thought has been expressed by persons speaking in behalf of the railroads that greater freedom in ratemaking is essential if railroad rates are to reflect the inherent advantages of rail transportation. The need is noted, however, for a more extensive

factual basis for implementing such a program. We see no reason to change the comment on this proposal which we made in our last report: "It is obvious that a substantial change in congressional policy, particularly as it relates to intercarrier competition in its bearing on the public interest, is presented by this type of proposal, and that a more searching analysis of the possible advantages and disadvantages, and of the implications of such a change, must be made than any which thus far have come to our attention."

Much is said in current discussion about the rapid extension of private transportation, particularly as it relates to the highway field. As was pointed out in our last report, private intercity motor transportation has grown materially in recent years, but its growth has been less than that of for-hire transportation. The greatest relative increase has been in transportation exempt from regulation under the Interstate Commerce Act. Our leasing rules, in the event they become fully effective, will lessen irregular practices which are in violation of the act and thereby will contribute to carrying out the principles set out in the national transportation policy.

We have mentioned in our last three reports the desirability and possibility of marshalling information which would help in understanding the end results of competitive rate reductions permitted in this period of basic adjustment in the rates of diverse forms of transportation. The only data we have which may throw light on this important subject are from the rail field. A study which our staff is bringing to completion is intended to assist in understanding and to some extent in measuring the effects of both reductions and increases.

Integration.—Certain railroads have been restive under the conditions which we have imposed on motor property operations conducted by railroads, or, more generally, under railroad auspices. A recent staff report has shown the relatively small volume of such operations and the decline in their relative importance, 1948 compared with 1944, and also in 1952 compared with 1948 in the case of railroad subsidiaries (the only carriers for which data for the later period are available). Additional applications, among them several for the purchase of "all-motor" operations, are pending before us.

A method of integrating rail and motor service which goes back a number of years, but which currently is receiving some further application and a great deal of discussion, is the movement of trucks on railroad flatcars. Recent additions to this practice generally have involved movements of the freight of railroad subsidiaries. Manufacturers are giving attention to the development of specialized facilities for such service. Some railroad representatives find in the more general application of this mode of operation an answer to important railroad problems, as well as collateral advantages, but

railroad opinion is divided. Motor carriers, less enthusiastic than the railroad proponents, take the attitude that, among other things, they must be shown that there are real savings involved, that their service standards will not be prejudiced, and that they are primarily highway carriers. There also are questions as to how such operations fit in with the requirements of the Interstate Commerce Act. The movement of trailers on vessels is a kindred development.

Operating efficiency.—The railroads have continued to stress the provision of facilities—better equipment, better yards, improved communication facilities, relocation of main lines, and many others—which improve efficiency. The diesel locomotive brought about a revolutionary change in railroad operations, with widely ramifying effects. Additions of diesels necessarily have slowed down after the heavy ordering of recent years. The railroads continue to be under the competitive necessity of finding every available economy. We referred in our last report to the hotbox problem as an important point of attack for reducing costs, improving safety and reliability of service, and simplifying operations. During the year there has been further experimentation with devices to lessen the development of hotboxes, and some railroads have reduced the number of hotboxes in freight service by giving sustained attention to means of preventing the conditions which produce them. The diesel has made the problem more serious by reducing the opportunity for thorough inspections of journals and by increasing train speeds. The railroad industry and manufacturers gave considerable attention during the year to diverse means of coping with this problem, including the substitution of roller bearings.

Efficiency in other modes of transportation is discussed briefly hereinafter.

Motor carriers of property.—While tons transported by class I intercity motor carriers of property declined 3.9 percent in the first half of 1952 compared with the high traffic level of that period of 1951 and revenues were only 4.4 percent higher, the year as a whole showed a slight (0.6 percent) increase in tons and a 10.0-percent increase in total operating revenue. The year's operating ratio, 95.5 percent, was slightly above the 95.3 percent of a year earlier. Revenues of this group of carriers in 1952 exceeded \$3 billion. The first half of 1953, in comparison with the relatively low first half year in 1952, showed increases of 12.4 percent in tons, 18.2 percent in revenues, and 17.3 percent in expenses, and a decline in the operating ratio from 94.7 to 93.9 percent. This ratio was 93.9 percent for common carriers of general commodities, 94.3 percent for common carriers of special commodities, and 93.2 percent for contract carriers. Revenue per ton in the half year averaged \$13.64 for common carriers, or 5.1

percent more than in the first half of 1952, and \$6.38 for contract carriers, or 9.1 percent more. According to a preliminary staff estimate, the average revenue per ton-mile in 1952 was 5.572 cents, or 9.3 percent more than in 1951. These comparisons are varyingly subject to limitations owing to duplications in the reported tonnage and to possible changes in average haul and composition of traffic. The average ton-mile revenue of class I railroads in 1952, 1.430 cents, was 7.0 percent greater than it was in 1951. In 1945 the averages for motor carriers and railroads were 4.049 and 0.960 cents, respectively.

The intercity motor-carrier industry continues its marked growth. Ton-miles of carriers subject to our jurisdiction increased from 19.6 billion in 1939 to 72.3 billion in 1951 and are at a higher level at present. Additions to the inventory of equipment and replacements of vehicles occurred at a substantial rate. Vehicles and their parts continue to be improved in design, further attention was given to the use of lighter materials in bodies, and efforts in the direction of obtaining vehicles and parts which closely meet carrier needs achieved further success. Additional terminals, designed to secure maximum efficiency, were provided in all parts of the country, often as a phase of a planned development of system terminals and vehicles. Rapid amortization of this investment has been encouraged by the tax laws. Mechanical devices and terminal operating practices received further study in the year.

The industry stresses the undesirable effects of inadequate highway and street facilities and is interested in seeing that proper recognition is given to trucking needs in the design of new highways. Basic studies looking to finding optimum road standards under given conditions of use are being progressed. Construction of additional toll roads and toll bridges was carried on during the year, and much debate as to the merits of toll roads occurred in many States. A considerable number of toll-road bills were defeated or vetoed. Changes in the way of liberalizing State size and weight laws or of making them more restrictive again received much legislative attention in an atmosphere of severe strain among the interests involved. Actions favorable to trucking occurred in a considerable number of States, but penalties for violations were strengthened in various instances.

Further extensions of through service over long distances occurred as additional carriers entered into contracts covering the interchange of trailers. Our leasing rules, discussed elsewhere, have been clarified in their bearing on such interchanges. There has been some mention of the possibility of creating a trailer pool. We discuss at a later point the progress of our safety program. Carriers' own efforts to

advance safety take many forms. Some additional States have required use of safety devices on commercial vehicles, changed their speed limits, and otherwise participated in the overall effort to promote safe use of highways.

On showings of increased costs, we have permitted general advances in rate levels in various areas or advances in rates on particular types of traffic. Shipper opposition was strong in some instances. There also have been advances in rates at the State level. Regulation of the maximum rates of contract carriers ceased during the year. Competitive conditions within the industry are seriously plaguing carriers in some areas. Rates on smaller shipments have been a source of concern both to carriers and shippers. A staff study indicates that in 1951 class I intercity motor carriers transported about 117 million shipments of 300 pounds or less and 412 million pieces of a total weight of 15.8 million tons, for an average revenue per shipment of \$1.47. Wage rates have increased, often after strikes, and fringe benefits have been extended. There also have been increases in fuel and other items of cost. There was some resort to injunctions to end work stoppages and suits were filed against unions.

Taxes are a principal problem of motor carriers. Increases in the level or changes in the kinds of taxes have become effective in some States and defeated in others. The ton-mile tax in one form or another is particularly under motor-carrier attack. Both favorable and unfavorable developments in the field of reciprocity between or among the States occurred during the year. The industry has sought repeal of the special Federal automotive excise taxes and the tax on transportation, and has shared with others the belief that the tax on fuel should be left for sole use by the States.

Various of our regulatory activities and problems in the motor-carrier field are explained elsewhere. The industry is watchful of proposed Federal legislation. It is divided internally on various matters, such as regulation of leasing, changes in the status of contract carriers, and a more definite determination of the status of the irregular-route type of common carrier.

Class I local motor carriers of property experienced an increase of 4.5 percent in revenues, 1952 compared with 1951. Total revenues in 1952 were \$285.0 million. Expenses rose 5.1 percent and the operating ratio rose from 95.9 to 96.4 percent. In the second half of 1952 revenues were 8.2 percent and expenses were 8.3 percent higher than in that period of 1951. In the first half of 1953 there were increases of 9.9 and 9.1 percent in the respective items compared with the first half of 1952 and the operating ratio stood at 95.1 percent.

Class I, class II, and class III motor carriers of property, intercity and local, had record total revenues, according to a preliminary staff

estimate, of \$4.417 billion in 1952, or 5.95 percent more than in 1951, and of \$4.747 billion in the year ending June 30, 1953, or 13.85 percent more than in the calendar year 1951. Intercity revenues in common-carrier service of intercity carriers were \$3.460 billion in 1951 and \$3.603 billion in 1952; in contract-carrier service they were \$0.226 and \$0.298 billion, respectively. Ton-miles of intercity carriers, 10.12 percent higher in 1951 than in 1950, were 2.87 percent lower in 1952 than in 1951.

Motor carriers of passengers.—Class I intercity motor carriers of passengers had 1.9 percent less revenue from intercity scheduled service and 0.2 percent less total revenue in the second half of 1952 than in the same period 1951 and carried 5.8 percent fewer intercity passengers. Aggregate revenue in 1952 was \$402,860,917. In the first half of 1953 compared with that half of 1952 there was a loss of 0.4 percent in revenue from intercity schedules and a gain of 3.6 percent in total revenues, but intercity passengers were fewer by 5.2 percent. This comparison is affected, however, by the depressing effects of labor-management difficulties in the first part of 1952. The operating ratio was 92.2 percent in the first 6 months of 1953, or about the same as it was in that part of 1952. In the latter half of 1952 the ratio was 85.1 percent; in the year 1952 it was 88.1 percent. Here, however, seasonal variations are involved. Net income after taxes was 7.6 percent lower in the first 6 months of 1953 than in that period of 1952. Revenue per intercity passenger-mile was 2.03 cents in 1952, according to a preliminary staff estimate. This average, never before as much as 2 cents, was higher by 22.3 percent than it was in 1946. The average for rail coach travel (except commutation) was 2.79 cents in 1952. The bus average was 91.2 percent of the rail coach average in 1946 and 80.2 percent in 1952. The use of private cars on intercity trips continues to increase.

Increased fares figured in the showing related above. Revenue from charter and special operations has become a more important factor in the recent past. Many buslines are showing greater interest in express traffic. A recent staff analysis showed more than a doubling of revenue from this source, 1946 to 1951. While this revenue was only 2.17 percent of total operating revenues of class I intercity carriers and only 1.98 percent of total revenues of class I, class II, and class III intercity carriers in 1951, the more than \$11 million realized was of substantial benefit. Of the 257 class I carriers in 1951, 183 engaged in express operations, though in most instances to a limited extent.

Bus equipment continues to improve. Purchases of buses by class I intercity carriers during 1951 numbered 1,678, or about one-eighth of the 13,431 owned at the end of the year. Retirements, 1,599, nearly

equaled the installations. Terminal facilities were improved further in the current year, and extensions of through schedules without change of bus also occurred. In addition, some return was made to excursion fares, particularly in New England. Efforts were made to meet higher labor, fuel, and other operating costs in customary ways. In the year, trials were made with book tickets and ticket-printing machines. Further withdrawals of rail ownership in the bus field have been planned. Such withdrawals have occurred several times in recent years. There were additional steps in the year in the way of enlarging bus systems.

Revenues of class I local and suburban motor carriers of passengers advanced slightly (1.5 percent) in the second half of 1952 compared with that period in 1951; with a smaller increase in expenses, the operating ratio declined from 98.2 to 97.0 percent. A 2.9-percent increase in revenues in the first quarter of 1953 and a slight decline in expenses brought the operating ratio down from 103.3 percent in the first quarter of 1952 to 99.8 percent. These high operating ratios, even though seasonal influences are present, indicate the difficulties which this group of carriers as a whole has been experiencing. The number of revenue passengers carried in the second half of 1952 was 12.7 percent lower than it was in that period in 1951; a first-quarter comparison, 1953 with 1952, shows an 11-percent reduction. Increased fares therefore account for the moderate gains in revenue noted above. In the second quarter of 1953, compared with the same quarter of 1952, there were increases in intercity, local, and total revenues, and a somewhat lower increase in expenses, so that the operating ratios for the respective half years improved from 100.0 to 97.4 percent.

A preliminary staff estimate indicates that the total operating revenues of class I, class II, and class III carriers, both intercity and local or suburban, increased from \$560.5 million in 1951 to \$569.1 million in 1952, or 1.53 percent. Intercity passenger-miles decreased 5.3 percent, or more than the decrease in rail passenger-miles. Passenger-miles rose in 1951 over 1950 but fell below the 1951 level in 1952.

Water transportation.—As we have noted in earlier annual reports, conditions differ markedly in the several branches of water transportation with respect to the ability of carriers to command traffic and achieve successful financial results. Many factors are involved. It is clear, however, from the discussion below, that the trades which are doing well concentrate on traffic which permits use of efficient mechanical means of loading and discharging cargo, with a minimum of labor, and which also use vessels which are far more efficient and in some instances of very different design as compared with vessels in use before the war. As the operators well know, there is need for

more effective cargo-handling methods and for improvement in the design and equipment of self-propelled vessels in the trades which continue to cater to general cargo traffic. The two objectives call for a common approach. Much thought has been given to these problems, but the accomplishments to date have fallen far short of meeting a critical need. Greater cooperation of labor and management would contribute much to a better attack on these difficult problems.

The 11,842,070 tons carried in the Atlantic and Gulf coastwise trade, including tributary waterways, in 1952 were 1.5 percent below the tons transported by the identical carriers in 1951.¹ After a rather substantial improvement in the second half of 1952 compared with that period of 1951, the first quarter of 1953 showed a 9.2-percent decline in tons, but recovery in the second quarter brought the half-year's tonnage very nearly to the level of the first half of 1952, and freight revenue was 11.5 percent higher. Freight and passenger revenue together was 11.4 percent higher. Total figures necessarily obscure variations in the experience of individual companies. Increased wages and fringe benefits, some secured after strikes, affected vessel operating costs. Failure to agree on the terms of a new contract led on October 1 to a longshoremen's strike at North Atlantic ports, which was halted by resort to injunctions. This situation remains uncertain and complex because of a jurisdictional dispute and other factors. There were grants of a few extensions of operating rights in this trade. An existing carrier was given authority to transport sulphur from Texas and Louisiana to North Atlantic ports and another was given coastwise rights for operations to be conducted with towboats and barges and also with small self-propelled vessels. There were a few other grants of property or passenger rights, including temporary authorities. Further clarification of the nature of towing operations occurred as a result of issues raised in this area. It is quite evident that this trade continues to operate much below the level it had attained prior to the war. About 14.2 percent of the tonnage was reported as moving under joint rail-water arrangements² in 1952, with 7 carriers participating in such traffic. Seven carriers reported joint motor-water movements; this traffic represented 10.7 percent of the total tons. It also is significant, in connection with comparisons of present and pre-1940 operations and in other ways, that 9 carriers reported the transportation of only traffic which is not subject to our jurisdiction, that 7 other carriers reported both such traffic and traffic subject to our jurisdiction, and that 14 reported

¹ Only tons and passengers carried and freight and passenger revenue are reported quarterly. Percentage changes in freight revenue from period to period necessarily differ, in some cases materially, from changes in total operating revenues. The same carriers are included in each period used in a given comparison of tons and revenue. Data for class C carriers are omitted.

² Traffic moved under a common control, management, or arrangement for a continuous carriage or shipment, such as traffic moved on joint rail-water rates.

only the latter type of traffic. The reports have not been checked in the field but, if they are assumed to be correct, 49.8 percent of the tons carried in 1952 fell outside our jurisdiction, mainly as a result of the various exemptions provided in part III and presumably to a minor degree because of movements in intrastate commerce.

The marked shift from the package type of operation to other classes of traffic continued among carriers on the Great Lakes subject to our jurisdiction. In contrast to the situation a good many years ago, only 0.03 percent of the tons carried in domestic commerce in 1952 represented joint rail-water movement; 3 carriers participated in this traffic. About 2.8 percent of the total tons moved under joint motor-water arrangements; four water carriers were parties to this service. One carrier is seeking, through a complaint filed with us, to obtain differential through routes and joint rates with the railroads for movements of automobiles to eastern trunkline and New England territories. According to carriers' reports, 79.8 percent of the domestic tons carried in 1952 consisted of traffic moved under conditions which exclude it from our jurisdiction, mainly by reason of the part III exemptions. Two carriers reported only such traffic, 8 such traffic and regulated traffic, and 3 regulated traffic only. Total tons transported in 1952 aggregated 18,698,243 and were 2.4 percent below tons carried in 1951. Continuing a trend which got underway in the fourth quarter of 1952, tons rose 40.9 percent in the first half of 1953 over what they were in that period of 1952 and freight revenues were 53.8 percent greater. Total revenue, including passenger revenue, was 51.6 percent greater. Carriers of bulk commodities, generally not subject to our jurisdiction, successfully advanced their drive, starting with the end of the steel strike in mid-1952, to meet all needs of the steel industry and other shippers. Vessels were added in 1952 and 1953. In the first 9 months of 1953, tons of ore, coal, and grain exceeded tons in the same period of 1951, a peak year, by 10 percent. There also was further expansion of the transportation of petroleum on the Great Lakes.

Conditions continued to be basically sound and progressive among the carriers subject to our jurisdiction which operate on the Mississippi River and related waterways. These carriers, as well as carriers engaged in private and wholly exempt operations, enjoy the benefits of the location of new plants and the expansion of mining in the area, to which their low rates have contributed, of improved waterway facilities, and of publicly and privately provided terminal or dock facilities. Additional equipment well adapted to the needs of these carriers was provided, though there is some falling behind the 4-year

goal set for mobilization purposes. Efficiency continues to advance. Important changes in the movement of grains are occurring. Extensions of pipelines, however, are a factor to be reckoned with. During the year we have considered many rail-water rate issues, and important issues are pending. The play of economic forces also is shown in the strong opposition which often develops to our granting of additional operating authorities. This opposition comes from water carrier, railroad, and in some instances motor carrier sources. After much litigation, we granted a carrier authority to operate over a larger section of the Intracoastal Waterway and removed limitations as to the traffic it might handle. We denied another carrier's application for extensive rights for less-than-bargeload service to be conducted by means of loaded truck trailers and for coterminous bargelot rights. An application to provide less-than-bargeload service through a freight-forwarder type of operation, confined to iron and steel articles to be moved from the Pittsburgh area to Houston over the lines of water common carriers, was granted. An extension of this grant has been requested. Two other freight-forwarder applications of this type, one broader in coverage, are before us. Several applications for water-carrier rights are pending, one of which involves movements by barge from the west coast to New Orleans and thence to interior points in tows of existing carriers. Additional exempt operations have been instituted. Sale of the Inland Waterways Corporation to private interests occurred during the year, and an application for approval of the transfer is pending before us. Reports filed with us show that 7.3 percent of the tons transported in 1952 by carriers subject to our jurisdiction moved under joint rail-water arrangements to which 3 water carriers were parties, and that 1.4 percent moved under joint motor-water arrangements, to which 3 carriers were parties. It also is to be noted that 52.7 percent of the total tons, as reported, consisted of traffic moved under conditions which exempt it from regulation or which, presumably to a relatively minor degree, moved in intrastate commerce. Most carriers reported both regulated and unregulated traffic; 5 reported regulated traffic only and 1 only unregulated traffic. The 33,553,329 tons of traffic reported for 1952 were only 0.5 percent higher than in 1951, though freight revenues were 4.9 percent greater. The steel strike, miners' holiday, and factors involving the world situation in petroleum affected the 1952 showing. Improvement began to show up in the fourth-quarter reports and continued through the first half of 1953. Tons in this 6-month period were 18.0 percent higher than in that period of 1952 and freight revenues were higher by 19.1 percent.

Economic conditions vary among the several types of carriers which operate under our jurisdiction on the Pacific coast and inland water-

ways. Conditions are reasonably satisfactory in the case of carriers engaged in the interior trades, but coastwise general-cargo service continues to be at a low level compared with the prewar standard. We have reviewed the competitive situation of these carriers in various decisions and have commented on these conditions in earlier annual reports. Various studies looking to possible relief have been made in recent years but without producing a remedy or remedies. Labor costs advanced further during the year. The few grants of additional operating authority involved mainly river or bay operations. Tons carried in 1952, 14,144,132, were 11.5 percent below tons carried in 1951, and freight revenue was 3.2 percent less. There was a substantial reduction of traffic in the final quarter of 1952 compared with that quarter of 1951 or the third quarter of 1952, with only moderate improvement in the first half of 1953 over that half of 1952. Tons were 2.5 percent greater, but freight revenues remained practically unchanged. Total revenues, including passenger revenue, were lower by 1.3 percent. Of the total tons reported for 1952, 12.9 percent moved under joint rail-water arrangements, to which 8 water carriers were parties, and 1.8 percent under joint motor-water arrangements, to which 5 water carriers were parties. About 37.0 percent of the total tons were reported as not moving under our regulation, presumably for the most part in intrastate commerce.

Tons carried in the intercoastal trade in 1952, 4,109,680, were 4.4 percent below the tons carried in 1951, but freight revenue was 1.8 percent greater. Conditions improved in the fourth quarter of 1952, fell back in the ensuing quarter, and advanced in the second quarter of 1953, each period in comparison with the same period of the preceding year. Tons and freight revenue in the first half of 1953 were higher by 13.2 and 18.4 percent. Passenger operations continue at a low level. A long-established carrier, in the face of prolonged difficulties, suspended all of its intercoastal operations, and another such carrier suspended its general-cargo operations. On the other hand, two additional grants of operating rights were made. The additional grants were for only eastbound service tied in with overseas operations; one grant was limited to lumber operations, and the other involved regular and irregular operations in general cargo service. Shortages of space in the vessels of established carriers for the movement of lumber in the intercoastal trade have occurred frequently since the war, as is shown by our many grants of temporary authority. The seasonal peak in the movement of canned goods and other west coast products of kinds which move in general-cargo service also has called for grants of temporary authority. We denied an application for a new two-way general cargo service. Some additions to service were made by existing carriers during the year.

A development which commands interest is the establishment of a joint motor-water carrier service on eastbound traffic destined to some 60 points in New York, New Jersey, and Pennsylvania. This service, limited to specified commodities and generally to shipments of 23,000 pounds, is similar to the arrangements for movements between west coast and Gulf points at a 30,000-pound minimum. Of the traffic moved in 1952, 13.6 percent moved under joint rail-water arrangements, in which 4 water carriers participated, and 2.2 percent under joint motor-water arrangements, in which 2 carriers participated.

Assuming the accuracy of the carriers' reports, the fact that 52.4 percent of the overall tonnage in 1952 was reported as unregulated possibly is surprising to some persons. The greater part of this tonnage is believed to have moved under the part III exemptions. A greater volume is transported by wholly exempt carriers.

Freight forwarders.—In 1952, 61 freight forwarders with annual revenues of \$100,000 or more received transportation revenue of \$372,167,489 and handled 23,866,318 shipments of an aggregate weight of 4,838,242 tons. Revenues and shipments increased over 1951 by 11.5 and 16.2 percent, respectively, but tons increased only 0.05 percent. Tons handled in the first half of 1953 were 3.7 percent greater than in that period of 1952, revenue was 7.5 percent higher, and shipments were 5.1 percent greater in number. The average weight per shipment showed a continuous decline from 486 pounds in the first half of 1951 to 389 pounds in the first quarter of 1953, but increased to 407 pounds in the second quarter. Revenue per 100 pounds was \$3.45 in 1951, \$3.85 in 1952, and \$4.18 in the first half of 1953. In 1952, 75.6 percent of the revenues received from shippers was paid to carriers, with 70.4 percent going to railroads, 15.9 percent to motor carriers, 13.1 percent for pickup, delivery and transfer services, and 0.6 percent to water and other carriers. These percentages have been fairly stable. Net income (after income taxes) per dollar of revenue was 1.0 cent in 1951, 1.1 cents in 1952, and 0.8 cent in the first half of 1953. The three largest forwarders accounted for 57.0 percent of the total revenue in the first half of 1953 compared with 60.4 percent in the year 1950, and for 55.2 and 56.2 percent of the tons handled in the respective periods.

There have been some extensions of freight-forwarder rights during the year. We have noted earlier our granting of rights for furnishing forwarder service via water common carriers on the Mississippi River and related waterways and a further application of a similar nature. Rate competition between motor carriers and forwarders resulted in requests for action on our part. As a step in a proceeding looking to the determination of the reasonableness or lawfulness in other respects of some of the contracts between forwarders and motor

carriers filed under the terms of amended section 409, we have required forwarders and motor carriers to furnish detailed information as to traffic tendered to or handled by the latter under such contracts in specified periods.

Private car owners.—The act defines private car owners as “persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company.” Approximately 240 such persons have 10 or more cars. They accrued revenues, mainly from refrigerator and tank cars, of \$205.6 million in 1952, or 8.6 percent more than in 1951. Car-miles, 6.2 billion, were 1.4 percent higher in 1952, and cars covered in the reports increased from 280,529 at the end of 1951 to 286,332 a year later, or 3 percent. Revenues and car-miles increased 20.6 and 1.0 percent in the first quarter of 1953 compared with that quarter of 1952, and the number of cars was 1.2 percent greater at the end of the period than a year earlier. Unit charges have advanced since 1951. The comparisons made are affected to some extent by variations in the number of reports used. Further data are found in an appendix.

Pipelines.—The volume of business of these carriers as a whole continues to increase, though with interruptions at times. The world oil situation necessarily exerts an influence in this connection. The 75 companies which reported in 1952 originated 2.2 billion barrels of oil, of which 17.5 percent represented refined oils. The increase in comparison with the showing of 76 companies in 1951 was 3.6 percent. Revenues increased 7.3 percent, to \$562 million. The operating ratio, 55.2 percent, was nearly the same as it was in 1951. Total revenue per barrel was 25.6 cents or 3.6 percent more than in 1951, but this comparison may be affected by differences in lengths of haul and composition of traffic. Average revenue per ton-mile in all trunkline operations ranged from 3.11 to 3.16 mills from 1949 to 1951 and was 3.28 mills in 1952. Carriers with annual revenues of \$500,000 or more had 10.3 percent more revenue in the first half of 1953 than in the same period of 1952 and originated 11.7 percent more barrels. Eleven large carriers of chiefly or only petroleum products had revenues of nearly \$86 million in 1952, or 16.9 percent more than in 1951. Their operating ratio declined from 54.4 to 51.1 percent. Their revenue in the first half of 1953 was \$42.5 million, or 14.0 percent more than in that period of 1952. Construction of both crude and refined oil lines was carried forward at a substantial rate, in some instances in new areas. Important changes in sources of supply of oil and in the location of refineries have been occurring. Lines of larger diameters are being built and other means of increasing efficiency in pipeline operations continue to be found.

Pipelines clearly are a dynamic influence in the entire transportation picture.

Labor-management relations.—Work stoppages in industries were not as extensive in the current year as they were in 1952. Our activities in effecting adjustments of carrier services to the disturbed transportation conditions which such stoppages create were therefore less extensive than they recently have been.

There were, however, a number of strikes or threats of strikes against individual railroads, generally over grievances, including time claims. One such strike, on a larger railroad, lasted over 40 days. Mediation and negotiations ended these disputes, with some unresolved issues left for arbitration. There were charges that in certain cases established adjustment procedures were not being followed. A court decision clarified the law on this point.

Demands of railroad employees for adjustments in basic wage rates and working conditions were held in abeyance for the most part until the expiration, on October 1, of moratoria agreed to in 1951 and 1952. A so-called "productivity" award of 4 cents an hour, retroactive to December 1, 1952, was made in an arbitration proceeding. The railroads question the accuracy of this description of the award. Three cost-of-living adjustments during the year resulted in a net downward change of 1 cent per hour. Railroads reluctantly signed union shop agreements, with provision for checkoff of union dues, though court proceedings have checked entire completion of this program.

The railroads now have before them proposals looking to substantial increases in basic wages, in related wage adjustments, and in "fringe" benefits. It is reasonable to anticipate that these demands and the railroads' response thereto will put strains on existing means of effecting orderly determination of the issues. The problems presented are essentially the same as those now under further consideration in the broader field of labor-management relations in essential industries, though the procedures available differ. We feel the effects of work stoppages in transportation by reason of the emergency powers we are called upon to exercise and of our duty to adjust rates to changed cost conditions. There clearly is a deep-seated public, as well as shipper, interest in the continuous functioning of our railroads. Recent basic changes in railroad technology and facilities are having unsettling effects on long-standing arrangements and create stresses which, in turn, lead to issues for adjudication. There has been continuing criticism of the procedures provided in the Railway Labor Act or of the uses made of them and, on the other hand, of the use of injunctions and Government seizures of railroad properties. The importance of strengthening the emergency-board procedure is stressed in objective sources, as is also, of course, the need of maintaining in full vigor the

desire to use the normal processes of negotiation, mediation, and voluntary arbitration. Much depends, obviously, on the will of the parties. The railroad proposal, mentioned in our last annual report as having been made reluctantly, that, if other steps fail, compulsory arbitration be employed and provided for on a limited basis, shows at least the severity of the problem from the railroad viewpoint. We necessarily take no position as to this or any other proposal, but we repeat from a number of earlier reports our belief that there is need in the public interest of "a careful new appraisal of the possibility of avoiding strikes in transportation without unduly trespassing on the rights of contending groups." We have noted that more than legislation is required, but that any legislative remedy which may be found necessary should "encourage and implement efforts on the part of these groups to work together in what is basically a common cause."

Labor-management relations in other branches of transportation have been referred to briefly at earlier points.

Taxes affecting transportation.—Interest among carriers and shippers in obtaining repeal of the special percentage taxes on the transportation of property and persons mounted during the year. The objections to these taxes are principally that they divert traffic to private means of transportation and thus add to for-hire carriers' difficulties, and that they discriminate against the long-distance shipper or traveler. The regressive effects of the tax on travel and the adverse effect of this tax on efforts to cope with the passenger-train service deficit are noted. There also is objection to the costs borne by carriers in collecting these taxes. These and other criticisms are answerable only in terms of the need for the revenues which these taxes produce. The yield mounts when traffic increases and when inflation drives up transportation charges. In the year ended June 30, 1953, the total yield was \$735,301,000, or 6.5 percent more than in the preceding 12 months. Since 1945, the yield of the tax on the transportation of persons has increased 22.7 percent, on the transportation of property 89.8 percent, and on movements of oil by pipeline 68.0 percent. The aggregate yield has been \$5.9 billion since the beginning of these taxes in 1941 or 1942. Similar war-imposed special taxes on goods and services also invite criticism. Motor carriers and related interests additionally object to the excise taxes on vehicles and their parts, which they consider burdensome and discriminatory.

We mention these matters only because of the repercussions which these and other taxes and the magnitude of total carrier tax payments exert on carriers' earning power and on our rate work. We discussed some of these repercussions in our last annual report. The considerations there noted and those indicated above are important, but we

necessarily recognize the great need for adequate Government revenues.

The excess-profits tax, scheduled for termination on January 1, 1954, necessarily affects individual carriers differently, but in net overall effect its repeal will be of moderate benefit to carriers subject to our jurisdiction.

TRAFFIC AND EARNINGS OF TRANSPORT AGENCIES

For the 12 months ended June 30, 1953, the combined operating revenues of the 8 groups of carriers subject to our jurisdiction totaled \$17,900 million, which was 6.64 percent above the level attained in the calendar year 1951, as shown in the accompanying table. All except 2 of the 8 groups showed increases, the largest increase being that of motor carriers of property, 13.85 percent, followed by pipelines (oil) 12.48 percent, the Railway Express Agency 11.86 percent, water lines 7.97 percent, steam railways 3.78 percent, and motor carriers of passengers 2.68 percent. The two decreases were those of the electric railways 3.09 percent, and the Pullman Company 1.05 percent.

Private car lines and freight forwarders are not included in the table. On the basis of quarterly reports the operating revenues of private car lines amounted to \$229,257,221 for the fiscal year ended June 30, 1953, and the operating revenues of freight forwarders amounted to \$93,086,679 for the same period.

*Operating revenues*¹

Class of carrier	12 months ended June 30, 1953		Year ended December 31, 1952		Year ended Dec. 31, 1951
	Amount	Percentage change from calendar year 1951	Amount	Percentage change from calendar year 1951	Amount
	<i>Thousands</i>		<i>Thousands</i>		<i>Thousands</i>
Steam railways ²	\$11,180,158	+3.78	\$10,966,007	+1.79	\$10,773,287
Railway Express Agency ³	249,833	+11.86	247,981	+11.03	223,343
Pullman Co.....	117,145	-1.05	122,070	+3.11	118,392
Electric railways.....	78,698	-3.09	81,783	+0.71	81,205
Water lines ⁴	362,433	+7.97	335,271	+0.12	335,666
Pipelines (oil).....	589,360	+12.48	562,268	+7.31	523,973
Motor carriers of passengers ⁵	575,560	+2.68	569,101	+1.53	560,514
Motor carriers of property ⁶	4,746,774	+13.85	4,417,478	+5.95	4,169,234
Grand total.....	17,899,961	+6.64	17,311,029	+3.08	16,785,614

¹ Partly estimated. Some of the 1951 figures given in the 66th annual report have been revised.

² Includes switching and terminal companies.

³ After deducting payments to others for express privileges.

⁴ Includes only revenues from domestic traffic of carriers subject to the jurisdiction of the Interstate Commerce Commission.

⁵ Does not include motor-carrier revenues of electric railways (included under electric railways).

The relative importance of the several modes of transportation in the United States can be only broadly estimated because uniform and complete traffic statistics for certain transport agencies are not avail-

able. The next table gives the estimated freight ton-miles and passenger-miles of all intercity carriers, public and private, for 1951 and 1952, except coastwise and intercoastal water traffic (the latest data available for this latter traffic is for 1949). It should be noted that the various groups of carriers differ in regard to circuitry of routes, loading practices, speeds, and collateral services rendered. Consequently, a ton-mile or passenger-mile of one group cannot be regarded as the economic or even as the physical equivalent of a ton-mile or passenger-mile of another group of carriers. The comparability of figures in the present table, however, has been improved over previous years by inclusion of facilities and areas perforce omitted previously for lack of data.

The figures indicate that the total in 1952 of 1,135,524 million ton-miles, excluding coastwise and intercoastal water traffic and excluding nonrevenue ton-miles of railways, was 3.16 percent below the level of 1951. Despite the decrease, the figure is higher than in any previous year, including war years, except 1951, even when allowance is made for the revisions noted. The estimated increase in motor vehicle ton-miles was 0.90 percent, and in airway ton-miles, 9.68 percent. Railway ton-miles, which with minor qualifications are actual, not estimated, showed a decrease of 4.86 percent. The estimated increase for pipelines was 3.54 percent. Water carriers showed a decrease of 6.70 percent, as estimated.

Railways accounted for 54.91 percent of total intercity ton-miles in 1952, as compared with 55.89 percent in 1951. For the nonrail carriers, the corresponding percentage changes were as follows: Oil pipelines increased from 12.97 to 13.87 and motor carriers from 15.56 to 16.21 percent, while air carriers, with an increase in traffic, still remained below 0.1 percent. The water-carrier share of the total decreased from 15.54 to 14.97 percent.

Of the total decrease of 36,999 millions of ton-miles, railways lost 31,845 and waterways 12,216. A slight increase of 1,639 million by highways and an increase of 5,387 million by oil pipelines, with the 36 million ton-mile increase by air, partly offset the decreases.

Total intercity passenger-miles in 1952 were estimated at 480,077 million, an increase of 6.95 percent over the 1951 level. The bulk of this increase was due to an increase of 8.16 percent in passenger-miles by private automobiles; this increase of over 30 billion passenger-miles overshadowed the 1,978 million passenger-miles or 18.66 percent by which airways increased and the increase of 63 million passenger-miles, or 4.73 percent, of the waterways. Two groups showed decreases: Rail passenger-miles diminished 1.69 percent, and those of motor carriers of passengers, 5.30 percent. In contrast, all modes had shown increases from 1950 to 1951. It is estimated that private

automobiles accounted for 85.46 percent of all intercity passenger-miles in 1952, compared with 84.51 in 1951. The percentage share of the airways increased in the same period from 2.36 to 2.62 percent. The shares of other groups, railways, motor carriers of passengers, and waterways, declined.

Volume of intercity traffic, public and private, by kinds of transportation

Agency	Ton-miles				Passenger-miles			
	1951 ¹	1952	Percent of grand total		1951 ¹	1952	Percent of grand total	
			1951	1952			1951	1952
1. Railways, steam and electric, including express and mail.....	Millions 655,353	Millions 623,508	55.89	54.91	Millions 35,306	Millions 34,710	7.87	7.23
2. Highways:								
Motor carriers of passengers.....					22,299	21,118	4.97	4.40
Private automobiles.....					379,324	410,275	84.51	85.46
Motor transportation of property ²	182,467	184,106	15.56	16.21				
Total.....	182,467	184,106	15.56	16.21	401,623	431,393	89.48	89.86
3. Inland waterways, including Great Lakes ³	182,216	170,000	15.54	14.97	1,333	1,396	.30	.29
4. Pipelines (oil).....	152,115	157,502	12.97	13.87				
5. Airways (domestic revenue service) including express and mail.....	372	408	.03	.04	10,600	12,578	2.36	2.62
Grand total.....	1,172,523	1,135,524	100.00	100.00	448,862	480,077	100.00	100.00

¹ Some of the 1951 figures given in the 66th annual report have been revised.

² Expanded to cover additional facilities (turnpikes), to revise previous estimates, and to cover urban ton-miles in intercity traffic.

³ Expanded to cover additional facilities. Figure for 1951 comparable with that previously published for 1950 is 177,878 billions.

Sources:

1. Interstate Commerce Commission reports. Electric railway ton-miles and passenger-miles estimated on the basis of revenue. Does not include nonrevenue ton-miles amounting to 31,024 millions in 1951 and 27,903 millions in 1952.
2. Highway ton-miles estimated on the basis of Bureau of Public Roads data for main rural roads, local rural roads, and mileages of routes in rural and urban areas, and on Bureau of Agricultural Economics data on farm consumption. Passenger-miles in private automobiles estimated from private automobile vehicle-miles in rural travel. Motor-carrier passenger-miles based upon reports to the Interstate Commerce Commission.
3. Preliminary estimates for 1952 inland waterways ton-miles based upon partial data from the Corps of Engineers, U. S. Army: 1951 data are from the Office of the Chief of Engineers, U. S. Army. Does not include coastwise and intercoastal ton-miles amounting to 221,448 million in 1949 as estimated by the U. S. Maritime Commission.
4. Includes refined products and crude oil, with an allowance for gathering lines.
5. Based on Civil Aeronautics Board data.

The volume of freight traffic handled by class I line-haul railways was not as large in 1952 as in 1951. The number of revenue tons originated and the revenue ton-miles decreased 6.42 percent and 4.91 percent, respectively. Railway passenger traffic as measured in revenue passengers carried declined 2.96 percent, and passenger-miles were off 1.74 percent. However, the average journey per passenger per road and the number of passengers per train and per car increased slightly. All of the 1952 indicators of physical performance of the railways in freight service appearing in the following table showed decreases in comparison with the performance in 1951 except in case

of the average haul per ton per road which increased 1.05 percent.

In the first half of 1953 the volume of freight traffic differed but slightly from that in the same period in 1952. The number of tons of revenue freight originated increased 0.38 percent but revenue ton-miles declined 0.54 percent. The only other indicator of physical performance to show improvement in the first half of 1953 over 1952 was the average freight train load. The number of revenue passengers carried and passenger-miles declined 2.39 percent and 8.50 percent, respectively.

Performance changes—class I line-haul railways

Item	Year 1952	Percent 1952 over (+) or under (−) 1951	First half of 1953	Percent 1953 over (+) or under (−) 1952
Tons of revenue freight originated (thousands).....	1,382,604	−6.42	663,864	+0.38
Revenue ton-miles (thousands).....	614,812,633	−4.91	301,753,911	−.54
Net ton-miles of freight per car-mile.....	32.54	−1.28	131.85	−2.48
Net ton-miles of freight per train-mile.....	1,296.30	−.32	1,302.79	+ .93
Miles per revenue ton of freight per road.....	233.16	+1.05	235.98	−.56
Revenue ton-miles per mile of road.....	2,732,525	−4.74	1,343,457	−.34
Number of revenue passengers (thousands).....	469,470	−2.96	230,978	−2.39
Total passenger-miles (thousands).....	34,017,471	−1.74	15,642,409	−8.50
Average journey per passenger per road (miles).....	72.46	+1.26	67.72	−6.27
Average revenue passenger-miles per train-mile.....	98	+1.33	94	−5.05
Average revenue passenger-miles per car-mile.....	18	+ .28	17	−5.56

¹ This average is obtained by dividing the total revenue and nonrevenue freight ton-miles by the loaded freight car-miles.

The operating revenues of class I line-haul railways for the calendar year 1952 which totaled \$10,581 million were the largest reported by these carriers for any year in railroad history and exceeded those of 1951 by 1.8 percent. The peak revenues of 1952 resulted from a relatively high level of traffic and from substantial increases in freight rates and other transportation charges authorized by us in various proceedings. However, the volume of both freight and passenger traffic was somewhat smaller in 1952 than in 1951. A prolonged steel strike and sporadic work stoppages in the coalfields contributed to the decline in freight traffic. Railway operating expenses increased from \$8,041 million in 1951 to an alltime high of \$8,053 million in 1952, but the increase was only 0.1 percent. Railway tax accruals (Federal income taxes, payroll taxes, and all other taxes) amounted to \$1,262 million in 1952, reaching the highest level since the war year 1944 when \$1,846 million was reported. The 1952 tax figure exceeded that of 1951 by 4.9 percent. The relation of Federal income tax accruals to freight-rate increases was discussed at some length in our last annual report. We there pointed out that in order to obtain an increase of any specified percentage or amount in freight rates, it was necessary for rail carriers, because of these taxes, to seek

not far from twice as much as they actually required to provide for increased operating expenses and other corporate needs.

Net railway operating income (what is left from operating revenues after deducting operating expenses, all taxes and equipment rents) totaled \$1,078 million in 1952 as compared with \$943 million in 1951, or an increase of 14.3 percent. The 1952 net railway operating income exceeded that of any year since 1944 when \$1,106 million was reported. The amount of fixed-interest charges on funded debt increased from \$296 million in 1951 to \$309 million in 1952. Such charges have increased but slightly in recent years. Net income after all charges totaled \$825 million in 1952 as compared with \$693 million in 1951, \$783 million in 1950, and \$438 million in 1949.

For the 12-month period ended June 30, 1953, operating revenues of class I roads aggregated \$10,788 million and operating expenses and taxes combined totaled \$9,387 million. Both figures represent all-time peaks for any like period. Net railway operating income for the fiscal year ended June 30, 1953, amounted to \$1,185 million which exceeds the amounts reported for each of the calendar years 1949-52. The net income of \$933 million for the same fiscal year exceeded that reported for any calendar year of record. On a calendar year basis the record high was \$902 million in 1942. From present indications it seems possible that the carriers' net earnings for the calendar year 1953 may exceed those of 1952. For the first 9 months of 1953 net railway operating income and net income were 15.0 percent and 22.4 percent, respectively, above the earnings for the same period in 1952.

Class I line-haul railways

Item	12 months ended with June 1953	Year ending December 31—			
		1952	1951	1950	1949
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Railway operating revenues.....	\$10,788	\$10,581	\$10,391	\$9,473	\$8,580
Railway operating expenses.....	\$8,075	\$8,053	\$8,041	\$7,059	\$6,892
Operating ratio.....	74.85	76.11	77.39	74.52	80.32
Railway tax accruals.....	\$1,312	\$1,262	\$1,203	\$1,195	\$833
Net railway operating income.....	\$1,185	\$1,078	\$943	\$1,040	\$686
Fixed interest on funded debt.....	¹ \$317	\$309	\$296	\$293	\$290
Net income.....	\$933	\$825	\$693	\$783	\$438
Federal income and excess-profits taxes ²	\$661	\$613	\$567	\$601	\$262
Net railway operating income before provision for Federal income and excess-profits taxes.....	\$1,846	\$1,691	\$1,510	\$1,641	\$948
Net income before provision for Federal income and excess-profits taxes.....	\$1,594	\$1,438	\$1,260	\$1,384	\$700

¹ Partly estimated.

² Included in railway tax accruals shown above.

As of July 31, 1953, the net working capital of class I line-haul railways was \$1,475 million as compared with \$1,373 million on the same date in 1952, or an increase of 7.4 percent. Excluding material and supplies, the corresponding figures are \$642 million and \$481

million, or an increase of 33.5 percent. On both bases the net working capital position was more favorable than on the same date in 1951 but it was below the level of 1950. Material and supply inventories on July 31, 1953, were about 7 percent below those on the same date in 1951 and 1952, though they exceeded the 1950 figure by 18 percent.

Cash and temporary cash investments on the last day of July 1953 totaled \$1,807 million. This is considerably higher than the amounts reported for the same date in 1950, 1951, and 1952. The ratio of current assets (both including and excluding material and supplies) to current liabilities as of July 31, 1953, was slightly higher than on the corresponding date in 1951 and 1952, but somewhat lower than in 1950. A similar statement applies also to the ratio of cash and temporary cash investments to current liabilities.

Class I line-haul railways as of July 31

Item	1950	1951		1952		1953	
	Amount	Amount	Percent of change from 1950	Amount	Percent of change from 1950	Amount	Percent of change from 1950
	<i>Millions</i>	<i>Millions</i>		<i>Millions</i>		<i>Millions</i>	
Total current assets.....	\$3,319	\$3,579	+7.8	\$3,412	+2.8	\$3,589	+8.1
Cash and temporary cash investments.....	\$1,774	\$1,680	-5.3	\$1,611	-9.2	\$1,807	+1.9
Material and supplies.....	\$706	\$898	+27.2	\$892	+26.3	\$833	+18.0
Total current liabilities.....	\$1,842	\$2,209	+19.9	\$2,039	+10.7	\$2,114	+14.8
Net working capital:							
Including material and supplies.....	\$1,477	\$1,370	-7.2	\$1,373	-7.0	\$1,475	-.1
Excluding material and supplies.....	\$771	\$472	-38.8	\$481	-37.6	\$642	-16.7
<i>Ratios</i>							
Current assets to current liabilities:							
Including material and supplies.....	1.80	1.62	-----	1.67	-----	1.70	-----
Excluding material and supplies.....	1.42	1.21	-----	1.24	-----	1.30	-----
Cash and temporary cash investments to current liabilities.....	.96	.76	-----	.79	-----	.85	-----

The following condensed income account shows that class I line-haul railways reported \$11,081 million of operating revenue and other income for the 12-month period ended June 30, 1953. Of this amount, \$4,526 million was absorbed in costs of material, depreciation, taxes, operating rents, and other operating expenses except wages and salaries. This left \$6,555 million for employees and investors, of which the shares of these two groups were \$5,077 million and \$1,478 million, or 77.5 and 22.5 percent, respectively. The employees' share of 77.5 percent in the fiscal year 1953 was higher percentagewise than in the calendar year 1950, but it was not as large relatively as in the calendar years 1949, 1951, or 1952. Conversely, the investors' share of 22.5 percent in the 1953 fiscal year exceeded the percentages for the calendar years 1949, 1951, and 1952, but it fell below the level of 1950. If payroll taxes, which are included with other taxes in the

table, were treated as an addition to wages, the amounts available for employees and investors combined would be somewhat larger and the percentages of investors' share would be proportionately lower.

Condensed income account—class I line-haul railways

Item	12 months ended June 30, 1953	Calendar year			
		1952	1951	1950	1949
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Revenues and other income	\$11,081	\$10,870	\$10,664	\$9,739	\$8,835
Cost of materials, depreciation, and other expenses except wages and salaries	3,214	3,178	3,233	2,860	2,869
Taxes, including income, profits, and payroll	1,312	1,262	1,203	1,195	833
Total deductions	4,526	4,440	4,436	4,055	3,702
Remainder for employees and investors	6,555	6,430	6,228	5,684	5,133
Wages and salaries ¹	² 5,077	5,063	5,012	4,379	4,192
Investors' share:					
Rent for leased roads ³	123	125	116	123	121
Interest on obligations	348	343	331	334	329
Other deductions ⁴	74	74	76	64	53
For dividends and surplus	933	825	693	784	438
Total	1,478	1,367	1,216	1,305	941
Percent wages and salaries	77.5	78.7	80.5	77.0	81.7
Percent investors' share	22.5	21.3	19.5	23.0	18.3

¹ Chargeable to operating expenses and not including the following amounts of payroll taxes, in millions: 12 months ended June 30, 1953, \$290; year 1952, \$291; 1951, \$286; 1950, \$262; and 1949, \$253.

² Partly estimated.

³ Represents largely intercompany payments among railroads in the form of interest and dividends.

⁴ Miscellaneous deductions from income applicable to "other income" shown, contingent charges (capital and other funds) and amortization of discount on funded debt.

The following table shows comparisons of selected freight-train and passenger-train operating averages of class I line-haul railways for the first 7 months of 1953 and 1952 and for the calendar years 1952 and 1944, the peak traffic year of World War II. The volume of freight traffic as measured in revenue ton-miles in the January-July 1953 period was 2.1 percent above that of the same period in 1952 which resulted in an increase of 2.6 percent in freight traffic density (net ton-miles per mile of road per day). However, passenger traffic as measured in passenger miles decreased 7.4 percent. Most of the significant indicators of operating efficiency in railway freight service showed improvement over those of the 1952 period; i. e., total cars per train, gross tons (cars and contents) per train, net tons per train, train speed and gross ton-miles per train hour. The latter is frequently referred to as the best single measure of railway freight transportation efficiency since it combines the speed factor with the total weight of the train behind the locomotive and tender, and reflects the average performance for each hour of train operation. This average, as well as the others mentioned above, has been favorably affected in recent years by the rapid growth in the use of diesel-electric locomotives in freight service.

Two important indicators of equipment utilization, car-miles per freight-car day and net ton-miles per freight-car day, showed improvement in the first 7 months of 1953 in comparison with the averages for the same period 1 year earlier. The average load per car, however, declined somewhat. In both periods these measures of car utilization were considerably below the levels attained in the war year 1944. The following freight service performance indicators averaged higher in the 1953 period than in 1944, the year of peak traffic during World War II: Cars per train, gross and net tons per train, train speed and gross ton-miles per train-hour. Largely as the result of dieselization these performance indicators have continued to show marked improvement in recent years over the performance during the year of peak traffic in World War II. For example, the average number of gross ton-miles per train-hour, an excellent overall measure of output, increased from 37,298 in 1944 to 51,676 in the first 7 months of 1953 or 38.6 percent.

Because of a decline in passenger traffic the averages covering the number of passengers per car and per train were somewhat lower in the 1953 period than in 1952 but the train speed increased. The high average passenger loads for the year 1944 were the result of heavy wartime travel.

Operating averages, class I railways

Item	First 7 months		Calendar year	
	1953	1952	1952	1944
Total ton-miles (billions).....	353.1	345.7	614.8	737.2
Total passenger-miles (billions).....	18.7	20.2	34.0	95.5
<i>Freight service</i>				
Net ton-miles per mile of road per day.....	7,790	7,595	7,837	9,441
Car-miles per freight-car day.....	43.4	41.9	42.8	50.6
Freight-car miles per train-mile:				
Loaded.....	40.7	39.3	39.8	34.9
Empty.....	22.3	21.8	21.8	18.2
Total.....	63.0	61.1	61.6	53.1
Gross ton-miles per train-mile ¹	2,870	2,789	2,822	2,409
Net ton-miles per train-mile.....	1,300	1,276	1,296	1,138
Net ton-miles per freight-car day.....	896	876	901	1,086
Gross ton-miles of locomotives and tenders per locomotive-mile.....	305	302	303	267
Net ton-miles per loaded car-mile.....	32.0	32.5	32.5	32.7
Percent loaded of freight car-miles.....	64.5	64.3	64.7	65.8
Train-miles per train-hour.....	18.2	17.6	17.6	15.7
Gross ton-miles per train-hour ¹	51,676	48,616	49,118	37,298
Percent unserviceable:				
Freight locomotives ²	14.4	17.5	16.9	12.4
Freight cars on line ²	4.7	5.0	4.9	2.5
<i>Passenger service</i>				
Revenue passenger-miles:				
Per train-mile.....	95.6	99.8	98.5	199.8
Per car-mile.....	17.7	18.3	18.1	32.2
Passenger train-miles per train hour.....	39.0	38.2	38.3	34.8
Percent unserviceable:				
Passenger locomotives.....	13.8	16.0	15.6	12.8
Passenger cars.....	8.1	8.2	7.9	5.0

¹ Excludes locomotives and tenders.

² Average during year.

Improvement in the condition of locomotives and cars in both freight and passenger services during the first 7 months of 1953 is indicated by a comparison of the percentages of unserviceable equipment with those covering the same period in 1952. The condition of both freight and passenger equipment was not as favorable in the 1953 period as in the year 1944.

A discussion of the traffic and earnings of transport agencies, other than the railroads, appears in the opening chapter of this report. Additional data supplementing that discussion are given in the statistical summaries included in appendix C.

DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

The Commissioner in charge of the Bureau of Service continued, as Administrator ex officio of the Defense Transport Administration, to exercise the functions delegated to him under the Defense Production Act of 1950, as amended, by the President and the Director of the Office of Defense Mobilization with respect to domestic transportation, storage, and port facilities. However, beginning July 1, 1953, by reason of the redefinition of the term "national defense" in the Defense Production Act Amendments of 1953 (Public Law 95, 83d Cong., 1st sess.), the scope of responsibility of the defense production agencies, including the Defense Transport Administration, was limited to programs for military and atomic energy production or construction, military assistance to any foreign nation, stockpiling, and directly related activities.

In the interest of economy and efficiency, and to eliminate duplication wherever possible, the Administration continued to avail itself of the facilities and personnel of the Commission to the extent practicable. Through arrangements made between the two agencies, field and departmental offices of the Commission are utilized by the Defense Transport Administration. By reason of this cooperation, it has not been necessary for the Administration to establish any field offices. Services performed by the Commission are paid for from a working fund established for that purpose out of funds appropriated for the Administration. With the reduction in scope of the Administration's responsibility on July 1, 1953, there was a lessened need for Commission services and the arrangements were adjusted accordingly. In the remaining areas of Administration activities, effective cooperation continues.

The principal expansion programs sponsored by the Administration to maintain the functioning of the transportation industries at a level consistent with defense production and essential civilian demands had not attained their objectives when the Defense Materials System, which authorizes allocation of scarce materials to military and atomic

energy programs only, was substituted for the Controlled Materials Plan on July 1, 1953. The status of the principal expansion programs of the Administration as of July 1, 1953, is reflected in the following table:

Name of program	Program goal	Number produced to July 1, 1953	Percent completed
Freight cars.....	436,000	260,199	59.68
Locomotives.....	15,500	11,551	74.52
Great Lakes vessels.....	32	22	69.0
Barges and towboats.....	3,923	1 2,467	63.0

¹ This figure includes an estimate covering the second calendar quarter 1953.

In addition to the Controlled Materials Plan, the Administration also processed applications for defense loans under the Defense Production Act of 1950, as amended, and certificates of necessity for accelerated tax amortization under the Internal Revenue Code. These incentives played a major part in advancing industry expansion goals initiated by the Administration and approved by the Office of Defense Mobilization or its predecessor agency. Up to October 1, 1953, accelerated tax amortization benefits had been certified in approximately the percentages indicated by the following table:

Title of goal	Goal approved	Certified to Oct. 1, 1953	Percent certified
Freight cars.....	436,000 cars	292,910	67.2
Locomotives.....	15,500 engines (Interim goal)	9,410	60.7
Miscellaneous railroads, terminal, and road facilities.....	\$500,000,000	\$401,207,603	80.2
Inland waterway vessels.....	3,923 vessels	2,520	64.2
Great Lakes ore carriers ¹	6 carriers	3	50

¹ These figures are in addition to the certification for 25 of the 26 vessels which were part of an earlier expansion goal and are now either in operation or under construction.

In addition to the above tabulation, open-end goals for fixed facilities, where approval is dependent upon individual investigations at particular locations, were approved for warehousing, motor terminals, repair shops, and waterfront terminals.

Production of passenger-carrying and freight-carrying highway vehicles during the fourth quarter of 1952 and the first two quarters of 1953, while still under the Controlled Materials Plan, was maintained at a rate adequate to meet demand. Long-range quantitative goals were not set in either of these areas, requirements being handled on a quarterly basis. Likewise, construction of facilities in the areas sponsored by the Administration were handled on a quarterly basis rather than geared to fixed construction levels. Moreover, in this area, the Administration, in addition to acting as claimant agency, was delegated the authority to process applications for construction

under the Controlled Materials Plan and, by careful handling, it was possible to so distribute the available materials that no real hardship occurred. During the fourth quarter of 1952 and the first two quarters of 1953, 334 projects, having a total construction value of \$283,460,614.00, were authorized.

Analysis of traffic requirements and the ability of transportation, storage, and port facilities to meet such requirements continued as one of the principal programs under the Defense Production Act of 1950, as amended. This program is essentially based upon economic studies to project requirements under different assumed conditions in coordination with the Commission, other Government agencies, and industry representatives. While these studies were conducted primarily by Administration personnel, field offices of the Commission participated by developing some of the information that was most readily obtainable from local sources.

Intensive voluntary programs for efficient utilization of facilities were continued and, where particular or spot shortages either developed or were anticipated, direct action was taken by the Administration, with the cooperation of the Commission's field offices, to overcome major deficiencies.

With respect to railroad transport facilities, continued emphasis on efficient utilization and improved operations resulted in more effective railroad service, notwithstanding the inability to meet programed equipment and facility expansion goals. Those improved operations were accomplished through Administration-sponsored voluntary programs by carriers, shippers, and consignees. In some instances, however, the judicious use of Commission orders (referred to elsewhere in this report) became necessary to attain desired results and such orders were administered by both the Washington and field offices of the Commission. Orders that were issued, continued, or amended during the year encompassed such subjects as restrictions on movement of cars, use of specialized cars, rerouting of traffic, loading requirements, permits to move specified commodities, demurrage, embargoes, and railroad operating regulations. The Administration also made a number of studies concerning traffic movement and the impact of anticipated conditions upon the industry. The Commission participated in these studies by obtaining field information through its field agents.

Among the current problems of street and highway transportation, the expeditious movement of military traffic and defense materials required continuing attention. Varying State regulations which restricted the weight and size of cargo highway vehicles often impeded transportation of defense materials. Generally, State officials cooperated by issuing special permits covering specified shipments where

the defense necessity was certified by the Administration. In this connection, the Commission's field personnel were utilized to act as certifying agents and the required documents were handled in the field. Field offices of the Commission's Bureau of Motor Carriers participated with industry and the Administration in a study of steel hauling practices with a view to eliminating unnecessary detention of motor-trucks at shipping and receiving plants. The national truck transportation pattern of fresh vegetables was also studied for the purpose of developing modifications that could be initiated during a full-scale emergency and which would result in more efficient utilization of highway vehicles. On behalf of the Administration, field representatives of the Bureau of Motor Carriers interviewed approximately 800 motor carriers and some 1,000 shippers and manufacturers to obtain information concerning anticipated production trends and transportation needs during the immediate future. The Administration also made a study intended to develop a weighted cyclical index of business activity as it related to total ton-miles of highway traffic operated on main and rural routes. The objective was to provide a barometer which would indicate future needs for highway transportation based on forecasts of business indices. The completed study was referred to the Commission for further analysis of its practicability in forecasting requirements. Labor strikes and natural disasters caused a number of local work stoppages, but the resultant effects on transportation were minimized by grants of temporary authority and provision of substituted services by the Commission at the request of the Administration.

With respect to inland water transportation, the increasing tonnage handled by this transportation media presented a number of problems involving expansion of facilities and efficient utilization of existing vessels. For example, it is estimated that the volume of iron ore transported on the Great Lakes in 1953 will be approximately 100 million gross tons. This is about 44 percent more than the 1949 movement of 69.5 million gross tons. Traffic on the inland waterways, other than the Great Lakes, has also been steadily increasing. It is expected that 70 billion ton-miles will be moved by this means during 1953, which is a 67-percent increase over the figure for 1949. This large increase in waterborne traffic required the establishment of expansion goals for vessels and waterfront facilities and a constant review of progress made to meet these goals. A survey of 85 shipyards, designed to determine the extent of vessel construction, was completed during the reporting period. It was found that the industry was maintaining a construction rate of approximately 900 vessels a year as against an expansion goal of about 1,000 per year. This construction lag was due mainly to shortages of controlled ma-

terials and skilled labor. However, at the present time it is estimated that the construction rate is at a level of approximately 1,000 vessels per year.

Since the creation of the Administration, it has supported an expansion goal for Great Lakes shipping of 32 vessels: 25 for iron-ore movement, 4 for limestone, 1 for cement, and 2 car ferries. During the 12 months ended October 1, 1953, 12 ships have been placed in service on the Lakes. It is not anticipated that any additional vessels will be placed into service during the balance of 1953. During 1954, 1 self-unloader and 1 ore carrier are scheduled to be completed. In addition, a C-4 oceangoing cargo passenger vessel, now being converted to carry freight and passengers on the Great Lakes, will be placed in service during 1954. The expansion goal for barges, towboats, and harbor craft for operation on the inland waterways comprehends the construction of 3,923 units in the period ending December 31, 1954, at which time, if the goal is attained, there will be a balanced fleet of 22,771 inland watercraft. About 800 craft were completed during the period September 7, 1952, to October 1, 1953.

During the year, a special study of the supply of dry-cargo barges for the movement of coal in the lower Ohio and Tennessee River valleys was made. This study was initiated because of the vast coal movements contemplated in connection with the generation of electricity for atomic energy plants. The Tennessee Valley plants will have a planned annual demand for 18 million tons of coal. The ultimate annual demand of the Ohio plants is in the neighborhood of 8 million tons. A total of some 200 barges will be required in these trades. As a result of the study, action was taken to expedite applications for tax amortization for watercraft intended for this trade and the Atomic Energy Commission was informally requested to give priorities assistance for necessary steel.

Studies also revealed that barges designed to transport liquefied gases and highly corrosive chemicals were in short supply. It was found that between 75 and 100 of these special-purpose barges would have to be built to take care of future demands, but that they could be included in existing expansion goals.

Warehousing and storage activities of the Administration included the assembly and analysis of data to determine present availability and anticipated requirements of the four segments of this industry; i. e., general merchandise, refrigerated, bulk grain, and bulk liquids (except petroleum and gas). A survey of the public general merchandise and household-goods warehouses was completed and published. No comparable survey has been made since 1951, and final tabulations indicated that the net occupiable public storage space in those types of warehouses declined somewhat during this period

notwithstanding a rise in population and an increase in reported national inventories. Two supplements to this report were later released respecting information covering cotton warehousing facilities and the utilization of manpower and powered material-handling equipment. A study involving the growth of public general refrigerated warehouses and projection of requirements through December 1955 was completed and published in September 1953. This study concluded that "cooler" facilities (above 25° F.) are in sufficient supply to meet present and anticipated demands including the initial impact of any sudden emergency. However, requirements for "freezer" facilities (below 15° F.) by the end of 1955 will amount to 259 million gross cubic feet, or a continuing expansion of 10 to 12 million cubic feet per year. While all storage space was in rather right supply, the most critical warehousing problem involved grain-storage facilities. Better than average crops, superimposed on an extremely large carry-over of grain from previous years created a serious shortage of elevator space at terminal markets and country points alike. The use of improvised storage facilities, such as ships of the reserve fleet, piling of substantial quantities of wheat on the ground in suitable areas, and the close cooperation of the Commission's field personnel, avoided a crisis and the harvest passed without serious consequences. Final approval was obtained from the Department of Justice for organization of the Defense Warehousemen's Association in New York, N. Y., Chicago, Ill., and Philadelphia, Pa. These associations are used by the Department of Defense for the storage of military supplies. Under the association plan, provision is made for a group of warehousemen to contract with the Government agencies as a single entity, and material offered for storage is distributed among member warehousemen in proportion to the amount of public storage space operated by each.

In the field of port utilization, previous congestion at ports due to large exports of grain and coal was eased due to reduced shipments. As a result, General Order DTA No. 2, which established a permit system for the movement and storage of grain to coastal elevators, was suspended on March 9, 1953, and terminated on July 1, 1953. During the 24 months this order was in effect, 7,027 permits were issued involving 1,155,449,850 bushels of grain. The order proved effective not only in maintaining elevators at workable occupancy levels but also in maintaining cars being held for unloading to about one-half of the critical car bank. Coal exports were also exceptionally heavy, but voluntary cooperation of railroads, transshippers, steamship agents, and port authorities proved sufficient to maintain a fluid situation during peak loading periods, without the necessity of restrictive orders. A pilot study was initiated in the port of Phila-

delphia by Administration personnel concerned with both port utilization and street and highway facilities to determine possible methods for relieving port congestion by closer coordination between truck traffic and port operations. While the study was actually conducted by industry representatives of the many interests involved, Administration and Commission personnel were instrumental in maintaining a fair rate of progress and acted as advisers when requested to do so. The result was an agreement on a set of "ground rules" that proved effective in relieving the congestion to a considerable degree. These rules were then made available to other ports with a recommendation that studies be undertaken for the establishment of similar "ground rules" modified to meet the specific port problem involved. Existing port capacity surveys made by other Government agencies were further refined through conferences with operating personnel of port facilities to determine particular conditions which may not have been revealed by inventories of facilities but could, nevertheless, retard the flow of supplies through the port. These conferences were held by Administration personnel with the cooperation of Commission field offices and included gulf ports, the Atlantic coast ports, except New York, and some of the west coast ports. The Port of New York Authority has initiated a similar study of the New York port. The discussions were not only successful in revealing possible bottlenecks, such as manpower shortages, but often established a clearer understanding of the necessary action that would be required for more complete utilization of port facilities in the event of a full-scale emergency. The Administration also issued a publication known as "The Ocean Port Story" describing the nature and functions of an ocean port in rather elementary terms. Since some shippers utilizing port services are often not familiar with port operations, this publication was welcomed by them and should aid in facilitating the free flow of commerce through these important facilities.

Manpower activities of the Administration consisted of close cooperation with other Government agencies in the development of programs for recruitment, training, apprenticeship, and manpower utilization. While the Administration did not intercede in any labor management dispute, information was furnished to the National Mediation Board and the Federal Mediation Conciliation Service respecting the urgency for settling particular cases where transportation continuity was threatened.

Through joint programs of the Administration, the Department of Labor and the Commission's Bureau of Motor Carriers and Bureau of Service at national, State, and local levels, apprentice training programs were initiated as long-term measures for developing needed manpower in the transportation industries. Programs were also

initiated to overcome immediate shortages by urging upon industry the advantages of reducing industrial accidents, and the employment of the physically handicapped, women, older workers, and part-time employees. Monthly publications covering manpower policies, trends, labor market news, and other data were issued for the information of transportation and associated industries.

Surveys of transportation, storage, and port facilities in the Territories and possessions continued during the reporting period. With the completion of the Alaska survey, preliminary groundwork had been accomplished and information gathered was analyzed to determine areas of deficiency as a basis for developing corrective programs. Major deficiencies in Alaska are the lack of warehousing facilities and Territorial regulation of the activities of highway property and passenger carriers. Puerto Rico is in need of warehousing and terminal facilities, while Hawaii and Guam have adequate facilities to meet present defense demands.

Advance mobilization planning activities of the Administration concerning transportation, storage, and port facilities continued to implement, in detail, the broad concepts previously developed by task groups of the National Security Resources Board between 1948 and the early part of 1950. Personnel in the operating divisions, when not fully engaged with current problems, prepared plans which could be quickly placed into effect on a progressive basis depending on the degree of control required for full mobilization. The Administration is also participating in the development of plans with respect to transportation in preparation for attack conditions, under attack conditions, and postattack rehabilitation, in cooperation with other Government agencies and industry representatives. An agreement, which defines the responsibilities of the several interested Government agencies with respect to civil defense transportation and related matters, was executed by the agencies involved and approved by the Director of Defense Mobilization. Pursuant to this agreement, the Administration is now developing its portion of coordinated plans for transportation, storage, and port facilities in the event of a direct enemy attack on the United States.

Further progress was made by the Facilities Protection Board Task Group on Transportation and Warehousing which was chairmanned by the Administration. Five subtask groups, one each for railroad, street and highway, air, port facilities, and warehousing, were formed to prepare advisory manuals to be used by industry in determining protection standards for critical facilities. The railroads, street and highway, and warehousing manuals were completed and forwarded to the Facilities Protection Board for further processing. Information was also furnished to the Industry Evaluation Board, Department of

Commerce, concerning certain highly critical transportation facilities, which are of such importance to national defense that protective measures may have to be either supervised or assumed by the Federal Government.

RAILROAD PASSENGER FARES

Since our last annual report a number of the western railroads operating principally in southwestern and Pacific coast territories, pursuant to our approval, increased their basic one-way passenger fares by 10 percent. It is estimated that the increased fares and charges of five of the railroads involved will produce annual revenue increases aggregating nearly \$3,000,000. *Southern Pac.-Missouri Pac. Increased Passenger Fares*, 288 I. C. C. 339.

On reconsideration, in *Service Charges for Checking Baggage*, 288 I. C. C. 691, 291 I. C. C. 5, we approved a service charge of 25 cents for checking each piece of hand baggage and 50 cents for each trunk at passenger stations in central, trunkline, and southern territories. Also in our last annual report we noted that the Department of the Army had filed a complaint attacking the charges for berth accommodations in standard and tourist sleeping cars. After hearing, we found that the charges had not been shown to be unjust or unreasonable, and dismissed the complaint. *United States v. Pullman Co.*, 289 I. C. C. 783.

A number of the proceedings considered during the past year have dealt with commutation fares and have been generally handled in cooperation with one or more of the State commissions. On March 2, 1953, we prescribed, under section 13 of the Interstate Commerce Act, intrastate fares within New Jersey for the Central Railroad Co. of New Jersey and The New York & Long Branch Railroad on the same basis as was generally in effect for intrastate application over other railroads. Because in this particular instance, the Board of Public Utility Commissioners of the State of New Jersey was unable to adjust certain intrastate fares in accordance with our findings, we entered an appropriate order so that the fares prescribed could be put into effect. *Jersey Central Intrastate Commutation Fares*, 288 I. C. C. 47. In our last report we also referred to the fact that railroads in the East were asking for an additional increase in the commutation fares for distances under 13 miles, and upon reconsideration we granted certain increases, but somewhat less than the amount sought. *Commutation Fares in C. F. A. and T. L. Territories*, 288 I. C. C. 117. Increases in the suburban fares in the Chicago area of the Chicago & North Western Railway, and of the Illinois Central Railroad were also authorized. *Commutation and Multiple Fares Between Illinois and Wisconsin*, 288 I. C. C. 15, and *Illinois Central*

Multiple Fares in Chicago Area, 281 I. C. C. 537, and 289 I. C. C. 133. In the latter proceeding we vacated the section 13 orders which were outstanding. Upon reconsideration, we also instituted an investigation, which is now pending, into the reasonableness of the 20-percent increase in commutation fares in the New Orleans, La., area which had been approved in our original report, *Commutation Fares, New Orleans and Miss. Gulf Coast*, 288 I. C. C. 735.

In our last report we pointed out that our pending proceedings included an investigation concerning unauthorized free transportation by the railroads, No. 30475; a proceeding involving the lawfulness of the bridge arbitrary or toll charge for interstate transportation over the so-called Hell Gate Bridge route of the New York Connecting Railroad, in New York, N. Y., No. 30953; and a proceeding involving the intrastate fares of the Long Island Rail Road, No. 31120. Hearings have been held in these proceedings and they are now being actively considered. Also pending is a proposed increase in monthly commutation fares between points in Illinois and Indiana on the lines of the Chicago South Shore & South Bend Railroad, Investigation and Suspension Docket No. 6131.

EXPRESS RATES AND SERVICE

Early in the current year the Railway Express Agency, Inc., sought our authority to make certain general increases in its rates and charges in addition to those discussed in our last annual report (pp. 53-54). The agency proposed a flat increase of \$1.04 or \$1.05 in its first-class rates per 100 pounds, with corresponding flat increases in its other class rates, an increase from \$1.50 to \$2.30 in its minimum charge, and a 25-percent increase in its other commodity rates and charges; the average increase proposed being 23.5 percent. Based on a 13-percent decline in traffic, the agency estimated that the proposed increases would improve its financial position and that of the participating railroads by \$60,000,000 annually, composed of a decline in expenses of \$32,500,000, and an increase in revenue of \$27,500,000. Hearing was held during May and June 1953 at Chicago, Ill., San Francisco, Calif., Dallas, Tex., and Washington, D. C.

In our report adopted July 20, *Increased Express Rates and Charges, 1953*, 289 I. C. C. 249, we did not approve the proposed increases but authorized an increase of 20 percent, subject to a maximum of \$1.04 in connection with the first-class rates per 100 pounds, with corresponding maxima in connection with other rates and charges, and an increase in the minimum charge from \$1.50 to \$1.80; the average authorized increase being 15 percent, estimated to yield increased revenue of \$55,000,000 annually, assuming no loss of traffic. Our conclusions had the concurrence of the representative of the cooperat-

ing State commissioners. The authorized increases became effective August 20, 1953.

In connection with the approved increases, we said:

The basis approved herein will give the agency and the railroads a reasonable opportunity to recoup their out-of-pocket costs from this service, and, in addition, obtain therefrom a reasonable contribution to their indirect costs and return on investment, will enable them to render adequate service to more shippers and receivers, treating them all alike for a given haul, insofar as the increases are concerned, avoid an unjust burden on the railroads' freight operations, and enhance the morale of petitioner's employees by encouraging the maintenance and possible expansion rather than a contraction of its present operations.

Certainly such a basis is worthy of a trial in the public interest before reconciling ourselves to a shrinkage in the express operations practically to the level of 1951, when the express and passenger train deficits were the largest in history. The choice is between a drastic increase in rates and charges which will jeopardize all the progress the agency has made in recent months or a moderate increase which will give reasonable assurance that that progress will be continued. The quality of petitioner's service has considerably improved since we last looked into the matter, but there is still much to be done, and it will be expected to continue its efforts in that regard in connection with the increases approved herein.

The present method of conducting the express business has been in effect since March 1, 1929, and the uniform express operations agreements between the agency and the participating railroads by their terms expire February 28, 1954. About 3 years ago a committee of railroad officials was appointed to study all phases of the express business, and recommend arrangements for conducting the business after the date above mentioned. The deliberations of this committee in their early stages disclosed important differences of opinion among the participating railroads, further shown by a request from one important carrier for formal findings on our part concerning its legal obligations in the premises, No. 31220, *Missouri Pacific R. Co., Petition for Declaratory Orders*. This petition was later withdrawn.

The railroad committee ultimately reached an agreement which was acceptable to their principals. A petition was thereupon filed with us July 24, 1953, submitting a new express operations agreement intended to supersede the present contract as of March 1, 1954, for our approval under the pooling provisions of section 5 (1) of the Interstate Commerce Act (No. 31317, *Express Contract, 1954*). This contract was the subject of a hearing September 9, 1953.

At this hearing there was no opposition to the continuance of the present plan for conducting the express business, but certain shippers of perishable foodstuffs, in carloads as well as less than carloads, voiced complaints of unsatisfactory transportation service for this traffic and urged that our approval of the pooling plan be subject to conditions deemed necessary to produce improved service. The pooling application is receiving expedited consideration.

In our legislative recommendations elsewhere in this report we are recommending that the paragraphs of section 1 of the act relating to car service be amended so as to make them applicable to express companies, as suggested by the interests which are dissatisfied with the present express service for perishables.

RAILWAY MAIL PAY

On June 24, 1953, the chief mail-carrying railroads filed a petition for reexamination of the rates, compensation, and rules for transportation of the mail, and services connected therewith, which were established by us in our decision of November 13, 1951, *Railway Mail Pay*, 281 I. C. C. 503, as amended. It was alleged by the petitioners that since that date the costs of furnishing the services have substantially increased due to increases in wages and other expenses. They requested us to establish new rates and compensation to reflect the full costs which, they contend, would require an increase in the present rates of not less than 45 percent.

On July 17, 1953, we reopened the proceeding for further hearing upon the issues raised in the petition and in the reply thereto filed by the Postmaster General. As soon as the parties are ready to proceed, the matter will be set for hearing.

Upon petition and a stipulation by the parties, and after a hearing thereon, we have before us proposals to modify certain provisions in our order of November 13, 1951, relating to rules and compensation for terminal services in connection with certain types of storage mail cars. The proposals are not intended to increase the present rates, but to simplify the method of determining the compensation for such service.

PARCEL-POST CHARGES

The proposal of the Postmaster General for the establishment of increased rates and other reforms affecting parcel-post mail service, referred to at page 55 of our last annual report, was withdrawn and a new one substituted therefor early in 1953. After hearing thereon we gave our consent to increased zone rates intended to increase revenues therefrom by about 36 percent. These rates became effective October 1, 1953. Prior thereto, a suit had been brought in the United States District Court for the District of Columbia by a group of greeting-card distributors against the Postmaster General, individually, and eight members of this Commission, individually, and on October 23, 1953, the court dismissed the suit on the grounds that (1) neither the Postmaster General nor the members of this Commission could be sued individually, but only in their official capacity, and (2) as to the members of this Commission, the case was

moot since we had exhausted our power in the premises when we gave our "consent" to the Postmaster General's proposed increases.

The hearings on the separate proposals of the Postmaster General to increase postal charges on catalogs and controlled circulation publications was postponed until September 15, 1953, and our decision thereon is under advisement.

THE PASSENGER-TRAIN DEFICIT

The passenger-service deficit for the calendar year 1952 for the class I railroads was about \$642 million, or \$38 million less than in the previous year. In other words, the revenues derived from the operation of the passenger service and allied services failed by that amount to cover the operating expenses, taxes, and rents assigned and apportioned to these services pursuant to rules prescribed by us. These rules, revised as of January 1, 1953, require that the operating expenses, taxes, and rents shall be assigned directly to the freight service or to the passenger service as far as practicable. The remainder of the operating expenses, taxes, and rents are incurred by operations which are common to the two services and, therefore, must be apportioned between the services.

The directly related passenger service operating expenses, taxes, and rents, a total of \$1,499 million in the year 1952, accounted for 70 percent of the total passenger service costs. The total passenger operating revenues for 1952 amounted to approximately \$1,497 million and thus failed, by about \$2 million, in covering the directly related passenger costs. This \$2 million represents expenses which should be covered by the passenger revenues for the reason that these expenses are directly related to the passenger service. On a percentage basis the passenger operating revenues failed by less than two-tenths of 1 percent to cover the costs attributed directly to that service. The comparison, however, does not allow for any return on the investment in equipment or road property which is used exclusively for passenger service.

When the amounts of common operating expenses, taxes, and rents apportioned to the passenger service according to the Commission's rules, but still excluding any consideration of return on investment, are added to the directly related passenger costs, the total becomes \$2,139 million, which is 43 percent in excess of the passenger operating revenues for the class I railroads in 1952. The difference between this total passenger service cost of \$2,139 million and the total directly related passenger service costs of \$1,499, or \$640 million, represents a cost to the railroads which the freight service revenues must meet, in addition to the amount of \$2 million by which the passenger revenue failed to cover directly related passenger costs, if the total

costs of the railroads are to be covered. The directly related costs as reported somewhat understate the direct or variable costs for the reason that the common expenses by their nature may vary with changes in traffic volume as a whole, freight plus passenger.

A study of the passenger revenues and total passenger operating expenses, rents, and taxes of the class I railroads as a whole indicates that about 28 percent of the passenger-train deficit results from the so-called head-end traffic, i. e., mail, express, and baggage, while the remainder is from the transportation of passengers. The railroads are continuing their efforts to adjust the rate structures for mail and express in order to improve their financial position. The problem of rate adjustment in connection with the carriage of passengers is a difficult one because of the vigorous competition with other means of transportation including the private automobile.

The passenger operating ratio, as usually published, reflects the relationship of the total passenger operating expenses to the total passenger operating revenues. The passenger operating expenses consist not only of the directly related expenses but also the common expenses apportioned to the passenger service. If interest centers in the relationship of only the directly related passenger operating expenses to the passenger revenues, this relationship may be obtained on a region or district basis by multiplying the respective passenger operating ratios by the following percents: Eastern district, 77; Pocahontas region, 68; Southern region, 75; and Western district, 70. The figure for the United States as a whole may be multiplied by 74 percent. For example, the passenger service operating ratio for the United States, year 1952, is 131.6 percent. The operating expenses directly related to the passenger and allied services approximate 74 percent of the total passenger service operating expenses, and this percentage applied to 131.6 percent produces a ratio of approximately 97 percent representing the relationship of directly related passenger service operating expenses to passenger service operating revenues. The passenger service operating ratios for districts and regions are as follows: Eastern district, 124.4; Pocahontas region, 157.7; Southern region, 130.2; and Western district, 139.3. It should be understood that variation in the percentage relationship of the directly related passenger operating expenses to the total passenger operating expenses may have a wide range due to the various types of passenger service performed by the individual railroads, such as the amount of commutation service and the proportion of head-end traffic to passenger-carrying traffic. However, on the broader basis, contemplating regions or districts as a whole, an operating ratio in terms of directly related passenger expenses only is from 68 percent to 77 percent of the operating ratio based on total passenger operating expenses.

To continue the analysis of operating ratios so as to include directly related passenger taxes and rents with the passenger operating expenses, the published ratios may be multiplied by percentages on a region or district basis to obtain operating ratios which give effect to such costs, as follows: Eastern district, 81.9; Pocahontas region, 69.8; Southern region, 75.5; Western district, 70.4; and United States, 76.1.

From the revenue standpoint, during the year 1952 the class I railroads received about \$318 million for transporting the United States mails. This amount represents a decrease of about 4 percent from the 1951 revenue amounting to approximately \$330 million. This reduction may be accounted for, in part, by diversion of some mail traffic to the motor carriers and, in part, by the reduction in the weight and measurement limits applicable to parcel-post matter. The figure reported by the class I railroads as express revenue represents an amount which they received from the Railway Express Agency after the latter's expenses had been met. For the year 1952 the amount of this revenue was about \$133 million, which is about \$52 million, or 63 percent, higher than the corresponding figure for the year 1951. This increase is due, in part, to rate increases granted by us to the Railway Express Agency and, in part, to the diversion of some portion of the larger parcel post packages. Baggage revenues for the year 1952 were about \$10 million, which is approximately the same figure as in the year 1951. In both years revenue from the transportation of milk represents about 80 percent of this figure. There is, of course, a considerable amount of baggage carried free, the compensation for this service being included in the passenger fares. The total revenues from the transportation of mail, express, and baggage are about 9 percent higher in 1952 than in the year 1951. The revenues from the transportation of passengers amounting to \$905 million in 1952 were about \$6 million more than such revenues in 1951. The remainder of the passenger service revenues and charges, mainly from hotel and restaurant service, showed little change between these 2 years.

The National Association of Railroad and Utilities Commissioners has been devoting its efforts to a reduction of the deficits in passenger-train service. As a result of these efforts, progress has been made in removing trains where the revenues fail to cover crews' wages, fuel, locomotive and car repairs, lubricants, and train supplies and expenses.

SMALL SHIPMENTS

Our last annual report contains a comprehensive review of the problems associated with the transportation of small shipments. We there mentioned one important case then pending, I. and S. Docket

No. M-4462, *Expiration Date Cancellation—Central States*, growing out of a proposal by motor carriers in central territory to establish a so-called surcharge of \$1.50 per shipment on shipments weighing less than 5,000 pounds designed to offset the increased costs of handling such shipments. Hearings in that case have been completed and the examiner's proposed report is being prepared. It is probable that the facts developed in that case and in connection with other proposals will result, eventually, in the establishment of appropriate charges and rules for the transportation of small shipments.

INCREASED FREIGHT RATES

During the past year we have handled no new cases involving general increases in freight rates, but have further considered our report of April 11, 1952, in Ex Parte No. 175, *Increased Freight Rates, 1951*, 284 I. C. C. 589. In that report we authorized nationwide increases in basic freight rates of railroads, freight forwarders, and carriers by water, as more fully described in our last annual report. The authorization was subject to an expiration date of February 28, 1954, unless modified or terminated prior to that date. On March 27, 1953, the railroads filed a petition requesting that the expiration date be vacated, which would allow the increases to continue indefinitely or until changed in the usual manner. By petitions filed June 3, 1953, and later, various coal-shipper organizations and others requested that the increases in rates on coal be required to be canceled immediately.

These petitions were accorded appropriate consideration, and on July 29, 1953, we authorized extension of the expiration date to December 31, 1955, in all respects.

TIME LAG IN RATE INCREASE CASES

In 1946 a succession of transportation rate increases was started which has extended over a span of more than 7 years. These rate increases were occasioned by rapidly rising wage scales paid by the carriers and by advances in the prices of fuel, supplies, and materials which they purchased. All types of carriers—sleeping-car companies, express companies, railroads, motor carriers, water carriers, and freight forwarders—were confronted with the same problem.

Increases were sought and obtained not only in rates and charges for the transportation of property but also for the transportation of passengers. The railroads also sought and were granted a substantial increase in their compensation for transporting United States mail.

[The carriers urged expedition in granting or permitting increases in their rates. Shippers and those who represented them frequently desired to be heard, particularly in the case of increases proposed by railroads.] It was necessary, so far as the railroads were concerned, to

modify outstanding maximum rate orders before increases could be lawfully made. There were no such orders outstanding against motor carriers, water carriers, or freight forwarders. The problem, therefore, in effectuating increases by these carriers was simplified. These carriers, with the possible exception of the forwarders, generally published their tariffs in the usual manner subject to suspension. If no suspension was entered, the increases automatically became effective according to the terms of the tariffs.

When the first petition for general freight-rate increases was filed by the railroads on April 15, 1946, a great many maximum rate orders were in effect in addition to orders prescribing fixed relations in rates. Therefore, in order to initiate increases in rates, the railroads were compelled to seek modifications of such orders. Moreover, relief from the operation of the long-and-short-haul rule of section 4 of the Interstate Commerce Act had to be obtained as well as permission to shortcut the usual tariff publishing requirements. This occasioned the filing of petitions with us by the railroads for such purposes.) Reconciliation of the right of the carriers for a prompt determination of their petitions with the demand of shippers and Government agencies to be heard had to be made. We worked this problem out as carefully and fairly as the circumstances permitted.

One of the methods used in meeting the situation was to issue interim or intermediate orders granting a part of the increases sought upon prima facie showings by the railroads, without waiting for the final conclusion of the proceedings before extending any relief.) In passing upon the railroads' last petition—the one of March 27, 1953, in Ex Parte No. 175—the Commission reduced the hearing time and adopted the practice of issuing an order in advance of the filing of a report explaining the reasons for the decision.

However, the feeling seems to persist in some quarters that there has been too much delay in the processing of these petitions. Others, upon whose shoulders the burden of paying the increased charges fell, have indicated a feeling that we acted too hastily.) Of course, in the consideration of this question it is necessary to keep in mind that the country's commerce is far flung; that it is complex and voluminous; that it is conducted under tense competitive rivalries; and, consequently, that the freight-rate structure is intricate and involved and difficult to keep properly balanced and free of unjustified discriminations as the law requires.)

(Beginning with the decision of June 20, 1946, and ending with that of August 10, 1953, we authorized 12 general railroad freight-rate increases in interim or final form.) In that period 2 increases were authorized in 1946, 2 in 1947, 3 in 1948, 1 in 1949, 2 in 1951, and 1 in

1952. In 1953 we extended from February 28, 1954, to December 31, 1955, the expiration date of the increases authorized in 1952.

The following is a chronological summary of the general railroad freight-rate increases just described:

EX PARTE NO. 162

Increased Railway Rates, Fares, and Charges, 1946

Petition of railroads filed, April 15, 1946.

Decision (264 I. C. C. 695), June 20, 1946, granting an interim increase of 6 percent generally (3 percent on grain, livestock, and certain other commodities) plus 5 percent in official territory.

Decision (266 I. C. C. 537), December 5, 1946, granting final increase of 25 percent within official territory, 22½ percent between official and other territories, and 20 percent within and between other territories, subject to exceptions.

EX PARTE NO. 166

Increased Freight Rates, 1947

Petition of railroads filed, July 3, 1947.

Petition amended, July 23, 1947.

Petition supplemented and further amended, September 5, 1947.

Decision (269 I. C. C. 33), October 6, 1947, granting an interim increase of 10 percent, subject to certain exceptions.

Petition further amended, December 3, 1947.

Decision (270 I. C. C. 81), December 29, 1947, granting an interim increase of 20 percent in lieu of the 10 percent increase previously authorized, subject to certain exceptions.

Decision (270 I. C. C. 93), April 13, 1948, granting the following interim increases in lieu of the increase authorized on December 29, 1947 (subject to exceptions):

Within eastern territory, 30 percent.

Within southern territory, 25 percent.

From, to, and within zone 1, western trunkline territory, 25 percent.

Within western territory other than zone 1 of western trunkline territory, 20 percent.

Final decision (270 I. C. C. 403), July 27, 1948, granting the following increases in lieu of the interim increases (subject to exceptions):

Within eastern territory, 30 percent.

Within southern territory, 25 percent.

Within zone 1 of western trunkline territory, 25 percent.

Interterritorially between southern and western territories and between those territories, on the one hand, and eastern territory, on the other, 25 percent.

Between zone 1 of western trunkline territory and western territory outside that zone, 22½ percent.

EX PARTE NO. 168

Increased Freight Rates, 1948

Petition of railroads filed, October 1, 1948.

Petition of railroads amended, October 12, 1948.

Motion of railroads for interim increases, October 12, 1948.

Decision (272 I. C. C. 695), December 29, 1948, granting the following interim increases (subject to exceptions):

Within eastern and southern territories and between those territories, 6 percent.

Within zone 1 of western trunkline territory, 5 percent.

Within western territory other than zone 1 of western trunkline territory, 4 percent.

Interterritorially, other than between eastern and southern territories, 5 percent.

Decision (276 I. C. C. 9), August 2, 1949, granting the following final increases in lieu of the interim increases (subject to exceptions):

Within eastern and southern territories and between those territories, 10 percent.

Within zone 1 of western trunkline territory, 9 percent.

Within western territory other than zone 1 of western trunkline territory, 8 percent.

Interterritorially, other than between eastern and southern territories, 9 percent.

EX PARTE NO. 175

Increased Freight Rates, 1951

Petition of railroads filed, January 16, 1951.

Petition of railroads for interim increases, January 19, 1951.

Decision (280 I. C. C. 179), March 12, 1951, granting these interim increases (subject to exceptions):

Within eastern territory, 4 percent.

Within southern and western territories, 2 percent.

Petition of railroads supplemented and amended, March 28, 1951.

Decision (281 I. C. C. 557), August 2, 1951, granting the following increases in lieu of those authorized on March 12, 1951 (subject to exceptions):

Within eastern territory, 9 percent.

Within southern and western territories and interterritorially between the three territories, 6 percent.

Petition of railroads, October 19, 1951, for reconsideration and further hearing.

Decision (284 I. C. C. 589), April 11, 1952, granting a nationwide increase of 15 percent (subject to exceptions) to expire February 28, 1954, unless sooner modified or terminated, in lieu of the previous interim increases.

Petition of railroads filed, March 27, 1953.

Order entered July 29, 1953, and report filed August 10, 1953, extending from February 28, 1954, to December 31, 1955, the increases authorized in the report of April 11, 1952.

The foregoing freight-rate increases average, for the country as a whole, approximately 78.9 percent over the base rates in effect on January 1, 1946. No estimate has been made of passenger fare increases.

Increases in express rates and charges for the same period approximate 121 percent.

INVESTIGATIONS UNDER DOCKETS NOS. 28300 AND 28310

In our last annual report, at pages 55-58, we stated that the revised scale of all-rail class rates prescribed in the third supplemental report in Docket No. 28300, *Class Rate Investigation, 1939*, 281 I. C. C. 213, and the uniform freight classification submitted by the railroads pursuant to our findings in Docket No. 28310, *Consolidated Freight Classification*, 262 I. C. C. 447, became effective on May 30, 1952, in conformity with the fifth supplemental report in these proceedings, 286 I. C. C. 171. We mentioned further that, effective May 30, 1952, and later dates, the eastern and southern railroads canceled their exceptions ratings on less-than-carload and any-quantity traffic within and between the East and the South and withdrew their participation in such ratings applying between the East and the South, on the one hand, and western trunkline and southwestern territories, on the other, thereby permitting the uniform classification and the new class rates to become applicable on certain traffic that formerly moved under exceptions ratings and in connection with which a different scale of class rates had generally applied.

Effective August 31, 1953, and later dates, the railroads proposed to cancel their exceptions ratings on less-than-carload and any-quantity traffic within and between western trunkline and southwestern territories, thus making applicable the uniform classification in connection with the new class rates on the only less-than-carload and any-quantity traffic that continued to move under exceptions ratings. Only nine protests or requests for suspension were received against this proposed cancellation. Most of these protests were predicated on allegations that the proposal would create undue prejudice to certain interstate traffic and undue preference of intrastate traffic moving within Arkansas and Missouri, and the other protests were based on the ground that the proposal would result in increased ratings on a few commodities.

Investigation revealed that this proposal to cancel exceptions ratings on less-than-carload and any-quantity traffic within and between western trunkline and southwestern territories was in harmony with our findings in Nos. 28300 and 28310 and was similar to other proposals which had been permitted to become effective within official and southern territories, between those two territories, and between official and southern territories, on the one hand, and southwestern and western trunkline territories, on the other. After consideration of the protests and replies thereto, division 2 concluded that the best interests of the public would be served by permitting the proposed schedules to take effect without suspension or investigation. Accordingly, they became effective as published.

PENDING GENERAL CLASS RATE PROCEEDINGS

There are pending two general class-rate proceedings—No. 30416, *Class Rates, Mountain-Pacific Territory*, and No. 30660, *Class Rates, Transcontinental Rail, 1950*. These proceedings have been the subject of a prehearing conference, but no formal hearings have yet been held.

Shippers and several State commissions requested us to direct respondent railroads to make available certain statistical data for their use in the preparation of a cost study. This was done and this information is now available to the parties in interest.

The first hearings have been set in these proceedings at Washington, D. C., for December 1, 1953. After that, other hearings will be ordered until the record is complete and the investigations are concluded.

Since the institution of these investigations and subsequent to the prehearing conference held September 6, 1951, at Salt Lake City, Utah, the western railroads have prepared a complete revision of the class rates within and to and from mountain-Pacific territory. They have held a series of public hearings on their proposed revision beginning at Salt Lake City April 21, 1953, and ending at Chicago, Ill., May 18, 1953. Following this, the western railroads made certain amendments to their proposed revision and on August 20, 1953, the Western Traffic Association approved a proposed class-rate structure within and to and from mountain-Pacific territory. Next, the western railroads on September 3, 1953, submitted the interterritorial portion of their proposed class-rate revision to the Traffic Executives Association—Eastern Railroads and to the Southern Freight Association, seeking the concurrence of the eastern and southern railroads. The western railroads assert that they are still working out the details of their proposed class-rate revision, and by motion of September 25, 1953, are seeking postponement of the hearing now set for December 1, 1953. If their work can be continued without interruption, and all roads concur, the western railroads assure us that the class rates proposed by them can be published and filed on or before June 1, 1954. Accordingly, they are asking postponement of the hearing now set for December 1, 1953, to permit them to complete their work of putting the carriers' proposal into tariff form and publishing the tariff. This request, however, is opposed by shipper and State commission representatives.

INVESTIGATIONS

Reports have been published in the following investigations of general interest instituted on our own motion:

Ex Parte No. 172, *Water Carrier Service on the Great Lakes With Nonowned Vessels*, 285 I. C. C. 419.

- Ex Parte No. 175, *Increased Freight Rates, 1951*, 289 I. C. C. 395.
 Ex Parte No. 182, *Released Ratings on Engines*, 287 I. C. C. 419.
 Ex Parte No. 185, *Increased Express Rates and Charges, 1953*, 289 I. C. C. 249.
 Ex Parte No. MC-37, *Commercial Zones and Terminal Areas*, 62 M. C. C. 151.
 Ex Parte No. MC-45, *Descriptions in Motor Carrier Certificates*, 61 M. C. C. 766.
 No. 17801, *Rules for Car Hire Settlement*, 287 I. C. C. 717.
 No. 29885, *In the Matter of Divisions of Joint Rates Between Official and Southern Territories*, 287 I. C. C. 479; 289 I. C. C. 4.
 No. 29886, *In the Matter of Divisions of Joint Rates Between Official and South-western Territories*, 287 I. C. C. 553; 289 I. C. C. 11; 289 I. C. C. 231.
 No. 30784, *Refund on Lake Cargo Coal to Canada*, 287 I. C. C. 103.
 No. 30940, *Status of Parmelee Transportation Company, Chicago, Ill.*, 288 I. C. C. 95.
 No. 31050, *Southern Pacific-Missouri Pacific Increased Passenger Fares*, 288 I. C. C. 339.
 No. 31074, *Increased Parcel Post Rates, 1953*, 289 I. C. C. 107.
 No. 31190, *Despatch Shops, Inc., Employee Passes, Declaratory Order*, 289 I. C. C. 480.

The following proceedings have been discontinued:

- No. 28300, *Class Rate Investigation, 1939*.
 No. 28310, *Consolidated Freight Classification*.
 No. 31023, *Storage In Transit Without Unloading From Cars*.
 No. 31220, *Missouri Pacific R. Co., Petition for Declaratory Orders*.

Other investigations are pending, some of the more important of which are the following:

- Ex Parte No. 104, *Terminal Services, Practices of Carriers Affecting Operating Revenues or Expenses, Part II*.
 Ex Parte No. 179, *Rules and Instructions for Inspection and Testing of Multiple-unit Equipment*.
 No. 9200, *Railway Mail Pay*.
 No. 29556, *Charges on Small Shipments by Railroads*.
 No. 30280, *Rule 34 of Consolidated Freight Classification No. 18*.
 No. 30416, *Class Rates, Mountain-Pacific Territory*.
 No. 30475, *Unauthorized Free Transportation by Railroads*.
 No. 30556, *Carrier Switching at Industrial Plants in East*.
 No. 30660, *Class Rates, Transcontinental Rail, 1950*.
 No. 30872, *Switching at St. Paul, Minn. (Hoffman Avenue Yard)*.
 No. 30953, *Passenger Fares, Hell Gate Bridge Route, New York, N. Y.*
 No. 30954, *Routing Via Seatrains Through Edgewater, N. J.*
 No. 30956, *Rates and Credit Rules on Grain Forwarded from Minneapolis, Minn.*
 No. 30958, *Reduced Rates on Pulpwood in Southern Territory*.
 No. 30980, *Practices of the Norfolk Southern Railway Co. and Norfolk Southern Bus Corp.*
 No. 31140, *Fly Ash, East to Pacific Coast*.
 No. 31155, *Definition of Plates and Sheets*.
 No. 31232, *Asphalt from Montana and Wyoming to Midwest*.
 No. 31233, *Ex-River Coal Mt. Vernon, Ind., to Chicago*.
 No. 31245, *Iron or Steel Articles, Baltimore-N. Y. Groups*.
 No. 31257, *Legality and Propriety of Payments by Boston and Maine Railroad*.
 No. 31273, *Expedited Service on Fresh Fruits and Vegetables*.

INVESTIGATIONS—Continued

- No. 31280, All Commodity Rates Between California and Oregon, Wash.
No. 31295, Minimum Charges Per Shipment, Official Territory.
No. 31317, Express Contract, 1954.
No. 31323, Sand and Gravel from and to South.
No. 31329, Liquid Waste, Wisconsin to Chicago and St. Louis.
No. 31335, Printing Paper and Pulpboard from Like, Md. and Piedmont, W. Va.
No. 31342, Increased Refrigeration Charges.
No. MC-C-543, Charges on Small Shipments by Motor Carriers.
No. MC-C-1115, Motor Carrier Rates New York City Area-New England.

INTRASTATE RATE CASES

Reports have been published in the following investigations instituted under section 13 (3) of the act:

- No. 30761, *Minnesota Intrastate Rates and Charges*, 288 I. C. C. 149.
No. 30785, *Virginia Intrastate Coal Rates*, 287 I. C. C. 245.
No. 30959, *Colorado Intrastate Freight Rates and Charges*, 287 I. C. C. 759.
No. 30960, *Nebraska Intrastate Freight Rates and Charges*, 287 I. C. C. 445.
No. 30961, *Utah Intrastate Freight Rates and Charges*, 287 I. C. C. 315.
No. 30962, *Wyoming Intrastate Freight Rates and Charges*, 287 I. C. C. 743.
No. 31034, *Alabama Intrastate Express Rates and Charges*, 288 I. C. C. 423.
No. 31066, *North Dakota Intrastate Express Rates and Charges*, 288 I. C. C. 387.
No. 31107, *Jersey Central Intrastate Commutation Fares*, 288 I. C. C. 47.

The following proceedings instituted by us under section 13 (3) of the act are pending:

- No. 31003, *Missouri Intrastate Freight Rates and Charges*.
No. 31112, *Indiana Intrastate Bituminous Coal Rates*.
No. 31163, *Louisiana Intrastate Freight Rates and Charges*.
No. 31164, *Mississippi Intrastate Freight Rates and Charges*.
No. 31219, *California Intrastate Railroad Freight Rates and Charges*.
No. 31274, *Kansas Intrastate Freight Rates and Charges*.
No. 31291, *South Carolina Intrastate Freight Rates and Charges*.
No. 31307, *Tennessee Intrastate Freight Rates and Charges*.
No. 31321, *Alabama Intrastate Rates and Charges on Coal and Lumber*.
No. 31322, *Kentucky Intrastate Coal Rates*.
No. 31359, *New Mexico Intrastate Freight Rates and Charges*.

GOVERNMENT REPARATION CASES

In the proceedings listed under this heading in prior annual reports, involving charges on Government shipments of freight during World War II, an examiners' proposed report recommends findings that the charges were not shown to have been unreasonable. The Department of Justice, representing the complainant, has stated its intention of filing exceptions to the report, which will be due early in 1954, and it is expected that the cases will be submitted to the Commission for decision shortly thereafter.

RAILROAD REORGANIZATIONS

During the period covered by this report, no additional petitions for reorganization of railroads under section 77 of the Bankruptcy Act were filed.

There has been no change, since our last report, in the status of proceedings for reorganization of the Huntingdon and Broad Top Mountain Railroad and Coal Co., Lackawanna & Wyoming Valley Railroad Co., Smithfield Terminal Railway Co., and Port Angeles Western Railroad Co. No proposed plans of reorganization have been filed in any of these proceedings. Applications for abandonment of the entire lines of railroad of the Huntingdon and Broad Top Mountain Railroad and Coal Co. and the Port Angeles Western Railroad Co. have been filed with us by their respective trustees, and reports thereon are in preparation.

Two plans for reorganization of railroads under section 77 have been consummated since our last report. The plan of reorganization of the Boston Terminal Co. was consummated as of 2 p. m., December 9, 1952, and that of the New York, Susquehanna & Western Railroad Co. was consummated as of 12:01 a. m., May 25, 1953.

In proceedings for reorganization of the Boston & Providence Railroad Corp., an examiner's proposed report was served December 3, 1952, recommending that the Commission refuse to approve a plan of reorganization until certain claims have been adjudicated by the courts or compromised by the interested parties. Exceptions and replies thereto were filed, and oral argument held before us. A second proposed report was served August 31, 1953, recommending approval of a plan of reorganization and the proceeding is assigned for oral argument before us November 5, 1953.

Hearings on proposed plans for reorganization of the Long Island Rail Road Co. were held during December 1952, and January and April 1953, and another hearing is scheduled for November 5, 1953. The Long Island Transit Authority has withdrawn the plan proposed by it.

By order of April 17, 1953, the district court approved the modified plan of reorganization for the Wisconsin Central Railway Co., previously approved by us. The plan was submitted by us to creditors and preferred-stock holders for acceptance or rejection, and the results of the voting (acceptance by 82.67 percent or more of each class of creditors, and rejection by 62.75 percent of the preferred-stock holders, who voted on the plan) were certified to the district court August 26, 1953. Appeals from the court's order approving the plan have been taken by the debtor and a committee representing preferred-stock holders. By order of October 1, 1953, the district court confirmed the modified plan.

A plan for reorganization of the New Jersey & New York Railroad Co., which provides for acquisition of the debtor's assets and property by the Erie Railroad Co., was approved by division 4 on March 27, 1953. Petitions for modification of the approved plan have been filed and a report thereon is being prepared.

In our 1952 report we stated that an appeal was pending before the United States Court of Appeals for the Fifth Circuit from the order of the district court of March 11, 1952, disapproving the modified plan for reorganization of the Florida East Coast Railway Co., previously approved by us, which provided for acquisition of the debtor's properties by the Atlantic Coast Line Railway Co. On January 13, 1953, the court of appeals ordered the district court to approve the modified plan and on May 4, 1953, the United States Supreme Court granted petitions for certiorari.

A proposed plan for reorganization of the New York, Ontario & Western Railway Co. was filed by the Refunding Mortgage Bondholders' Protective Committee on January 6, 1953. Action on this plan is being deferred at the request of its proponents. No proposed plan has been filed by the debtor.

In our last report we stated that proceedings before the district court for confirmation of the previously approved modified plan of reorganization for the Missouri Pacific Railroad Co., and certain subsidiaries, had been suspended in compliance with the provisions of section 208, title 11, U. S. Code, pending a report by us upon the petition filed under that section. On November 17, 1952, we adopted a report finding, among other things, that certain changes, facts, and developments have occurred since approval by us on December 29, 1949, of a modified plan of reorganization for the Missouri Pacific system, which were not provided for in that plan, and which make it necessary to re-examine and, if necessary, to revise it. As a result of this report, the district court remanded the modified plan to us for re-examination, reconsideration, and possible revision, and we reopened the proceeding for further hearing to determine what, if any, revisions should be made in the plan. Hearings have been concluded, briefs have been filed, and an examiner's proposed report is now in preparation. By order of May 25, 1953, the district court denied a petition of the debtor for permission to file an application with us under section 20b of the Interstate Commerce Act.

During the past year we have disposed of many petitions pertaining to features of reorganization other than the formulation of plans. These have included modifications of previous authorizations of protective committees, authorizations for the consummation of plans of reorganization, the fixing of maximum limits of compensation for trustees, counsel, and other parties and for reimbursement of expenses,

and an order directing submission of a plan to creditors and stockholders for acceptance or rejection. Public hearings not related to the formulation of plans have been held on 7 occasions in 5 different proceedings. We have issued 50 reports and orders relating to 50 petitions in such collateral matters, and the proceedings have required us to enter approximately 10 orders or certificates of general administrative character.

Since the passage of section 77 of the Bankruptcy Act, on March 3, 1933, 61 proceedings have been instituted for reorganization under the section. Of these proceedings, reorganization has been completed in 34 cases, and the proceedings have been discontinued in 16.

Appendix E of this report contains a list of all railroads in reorganization or receivership on the date of this report, and statistics of steam railroads in reorganization or receivership at the end of stated 5-year periods since 1895.

VOLUNTARY REORGANIZATIONS

During the period covered by this report, two additional applications for modification of securities under section 20b of the Interstate Commerce Act were filed.

On December 30, 1952, an application was filed by the Missouri-Kansas-Texas Railroad Co. for authority to alter and modify its corporate charter and the terms of its preferred and common stock issued and outstanding thereunder. A hearing was held March 24-25, 1953. An adjourned hearing scheduled for May 25, 1953, was canceled at applicant's request to permit negotiations with opposing stockholders in an endeavor to work out an acceptable plan.

The Western Maryland Railway Co. on April 1, 1953, filed an application for authority to alter and modify its corporate charter and the terms of its preferred and common stock issued and outstanding thereunder. Hearings have been held, briefs filed, and an examiner's proposed report is being prepared.

In our prior annual report we stated that by decision of February 21, 1952, in *Sakis v. United States*, 103 Fed. Supp. 292, the United States District Court for the District of Columbia (three judges) dissolved a temporary restraining order, which it had issued, and affirmed the Commission's orders of approval of the plan of securities modification in the Boston & Maine Railroad proceeding, but at the same time called attention to what it regarded as serious charges of irregularity and fraud in connection with the obtaining of assents to the plan, contained in certain new evidence which had been tendered to the court by the Sakis committee, plaintiff, and the Department of Justice, for the United States, statutory defendant, and that the court also indicated its belief that these charges involved matters as

to which the Commission, as the proper forum, upon appropriate application to it, would doubtless wish to entertain jurisdiction. We also stated thereafter that in response to a petition filed by the Sakis committee, by order dated April 7, 1952, we reopened the proceeding for further hearing for the purpose of receiving any new evidence relating to the validity of stockholders' assents to the plan of modification; that hearings were held; and that, following the filing of briefs and replies, a report containing our findings and conclusions in the matter would be issued. We also there stated that at the opening of the initial hearing on August 25, 1952, the Sakis committee and George P. Sakis, individual intervener, through their counsel announced their withdrawal from the proceeding; that at the same time counsel for the carrier indicated that an understanding had been reached whereby the expenses of the committee and a portion of its counsel fees would be paid for by the carrier; and that counsel for one of the interveners also stated that it had agreed to pay a portion of the Sakis committee's counsel fees.

By second supplemental report and supplemental order in this proceeding, approved April 21, 1953, we found, upon the record made at the reopened hearings, that holders of the requisite percentages of each class of stock of the Boston & Maine Railroad, within the submission period, assented to the plan of modification authorized to be submitted to the railroad's stockholders by our report and order of April 19, 1950, and that the stockholders' assents constituting such percentages were procured in a lawful manner and in conformity with the provisions of that order, but that there were certain questions as to the propriety and legality of payments by the Boston & Maine Railroad on account of legal services and expenses and of other activities in connection with the proposed modification of securities which required our further consideration and would be made the subject of a separate inquiry under appropriate provisions of the law. We directed (a) that our order of January 23, 1951, in this proceeding, approving and authorizing such alterations and modifications, and directing that the plan of modification be put into effect, be made effective May 21, 1953; (b) that our stay orders of February 26, 1951, and February 27, 1952, be vacated and dissolved; and (c) that the Boston & Maine Railroad make no further payment to the Sakis committee or its counsel unless and until such payment is authorized by our further order.

By order of May 1, 1953, upon our own motion, we instituted an investigation under sections 12 and 20b of the Interstate Commerce Act, into and concerning the agreement between the Boston & Maine Railroad, the Sakis committee, and others which resulted in the withdrawal of the Sakis committee and other interveners; the

propriety and legality of the payments for counsel fees and expenses, made and to be made, thereunder to the Sakis committee and its counsel, Donald S. Caruthers, and George P. Sakis and his counsel, Albert C. Borghi; the withdrawal of these interveners and their counsel from the Boston & Maine Railroad securities modification proceeding; and any other matters collateral to those involved therein. This investigation and any action we may take as a result thereof will not affect in any manner our second supplemental report and supplemental order of April 21, 1953, in the Boston & Maine Railroad securities modification proceeding.

In our last and certain previous annual reports we recommended that consideration be given to amending section 20b so that, in connection with determination of the percentage of outstanding securities assenting to proposed modifications or alterations, securities of any class entitled to vote for the election of directors of the carrier, whether or not controlled by or controlling the carrier, shall be considered as outstanding, but that if we determine that 25 percent of the securities of such class are so controlled by or control the carrier, we may prescribe such percentage in excess of 75 percent as requisite for approval of the proposals as we may determine to be just and reasonable and in the public interest. In our last report, we also recommended amendment of paragraph (2) so as to give the Commission power to make general rules and regulations, and special requirements in any case, governing the solicitation of assents (in lieu of the fifth sentence of that paragraph which requires that the Commission approve all material used in the solicitation of assents), and to authorize specifically the Commission to designate or approve an independent depository to receive assents of security holders and to accept the depository's certification as to the assents received; and amendment of paragraph (3) so as to clarify and make certain the power of the Commission to prescribe the classes into which securities should be divided.

We renew the recommendations described above, and also recommend a further amendment to paragraph (2) so as to remove any doubt of the Commission's jurisdiction to exercise supervision over material used to solicit assurances of assent, or preliminary approval or disapproval of proposed plans, prior to action thereon by the Commission. The fifth sentence of paragraph (2), as it presently reads, refers only to material to be used in soliciting "assents" or the "opposition" of affected security holders. It is equally desirable that the Commission exercise supervision over material to be used in soliciting the approval or disapproval of security holders of, or their assurances of assent to, a plan proposed by a railroad in advance of formal submission. Paragraph (2) provides that the Commission may require

applicants to secure "assurances of assent" as a condition precedent to further consideration of an application, and, with respect to a carrier in equity receivership or the subject of proceedings under section 77 of the Bankruptcy Act, paragraph (13) requires the carrier to submit assurances satisfactory to the court of the acceptance of a plan from holders of at least 25 percent of the securities outstanding. It appears that the purpose of the present provision in the statute is to prevent the securing of assents upon the basis of erroneous or misleading information. This purpose might be defeated if carriers are permitted to obtain assurances of assents or preliminary approval of security holders with material not approved by the Commission "as to correctness and sufficiency of the material facts stated therein." An initial false impression created by misleading material may not be removed by material subsequently circulated after approval thereof by the Commission, and a security holder having gone on record in favor of a proposed plan is less likely to examine carefully the material circulated after approval of the plan by the Commission.

AGREEMENTS BETWEEN OR AMONG CARRIERS

Under section 5a of the act, the so-called Reed-Bulwinkle amendment, common carriers subject to parts I, II, III, and IV of the act may submit for our approval agreements between or among carriers relating to rates, fares, or charges of such carriers, and rules and regulations pertaining thereto, or procedures for the joint consideration, initiation or establishment thereof. During the past year 7 applications for approval of agreements were filed, 6 by groups of motor carriers and 1 by a group of water carriers, an increase of 2 applications over the preceding year. A total of 48 applications have been filed, of which 25 have been disposed of and 23 are pending. Fourteen applications were acted on during the year, of which 3 were dismissed, 1 denied, and 11 agreements were approved. All agreements submitted to date by rail carriers have now been approved. One of the applications dismissed related to an agreement among motor carriers in central territory. Dismissal was based upon a finding that a provision of the agreement which designated the bureau as the exclusive tariff-publishing agent for the carrier members did not permit the free and unrestrained right of independent action contemplated by section 5a and accordingly that approval of the agreement was prohibited by paragraph (6) of that section.

In a proceeding docketed as Ex Parte No. 188, the Commission, division 2, entered an order calling upon certain domestic water carriers in the coastwise and intercoastal trades to show cause why the Commission should not set aside certain agreements among them relating, among other things, to the fixing of transportation rates or fares

which were filed with and approved by the former United States Maritime Commission pursuant to the provisions of section 15 of the Shipping Act, 1916, and transferred to the jurisdiction and control of this Commission in accordance with section 321 (b) of the Interstate Commerce Act. Several respondents in that proceeding have indicated that they will file applications with this Commission for approval of substitute agreements under section 5a.

Among our duties under section 5a is that of inspecting the records of organizations functioning under approved agreements. Although this work is expanding as additional agreements are approved, this duty can be discharged only in a limited way because of our present restricted appropriation for field forces and travel. We expect shortly to give attention to the promulgation of regulations governing the keeping of records and files of such organizations. When these become effective the inspection work should be simplified somewhat.

ENCROACHMENT ON PUBLIC TRANSPORTATION ("BUY AND SELL" ACTIVITIES BY PRIVATE CARRIERS)

Merchandising by motortruck, whether actual or pretended, over long distances is increasing to such an extent that it is becoming a major factor in the transportation of freight between distant points. Manufacturers and mercantile establishments, which deliver in their own trucks articles which they manufacture or sell, are increasingly purchasing merchandise at or near their point of delivery and transporting such articles to their own terminal for sale to others. Such transportation is performed for the purpose of receiving compensation for the otherwise empty return of their trucks. Sometimes the purchase and sale is a bona fide merchandising venture. In other cases, arrangements are made with the consignee of such merchandise for the "buy and sell" arrangement in order that the consignee may receive transportation at a reduced cost.

To an even greater extent, drivers of trucks engaged in transporting exempt commodities in one direction engage in similar transporting of general freight on the return trips. There are also a number of truck-owners engaged in such so-called merchandising exclusively, transporting, in both directions, freight which they have purchased for sale at destination. Generally, the "sale" price of the merchandise is the cost at origin plus an amount equal to or slightly below the transportation charges of authorized carriers, either rail or motor. Usually it is difficult, if not impossible, for the Commission to determine whether such transportation is a bona fide merchandising venture or is a subterfuge intended to provide transportation for hire without the required certificate or permit and, of course, without payment of the transportation tax.

A large amount of freight which would otherwise move by rail or authorized motor carriers is now being transported by motortruck over long distances under the "buy and sell" arrangements. The Commission has received informal complaints from shippers and authorized carriers concerning such transportation of canned goods from the South to the Midwest and the west coast and from the North to Florida; transportation of meat and meat products from the Midwest to all parts of the country; of fertilizer from Massachusetts to Maine; of various manufactured products from Denver to Cleveland, New York to Detroit, and between numerous other producing and consuming points. Investigations of such complaints rarely produce evidence that would establish in a formal proceeding before the Commission or the courts that the present provisions of the Interstate Commerce Act are being violated.

The existence and expansion of this method of transportation is here called to the attention of Congress because of its possible impact on the national transportation policy to "foster sound economic conditions in transportation and among the several carriers; * * * to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense." In instances where this so-called private carriage is a subterfuge for engaging in public transportation, it constitutes a growing menace to shippers and to carriers alike. It is injurious to sound public transportation. It promotes discrimination between shippers and threatens existing rate structures. It was to curb such practices that part II of the Interstate Commerce Act was enacted.

TRIP LEASING OF MOTOR VEHICLES

The practice of authorized motor carriers utilizing equipment which they do not own in conducting their operations has presented difficult problems since the inception of motor-carrier regulation. When authorized carriers conduct operations in whole or in part through the use of vehicles of others, it is of utmost importance to regulation that they should have and exercise direction and control of the vehicles and of the persons who drive them. Anything less means that neither the Commission nor the authorized carrier would have any immediate and direct control over the safe or lawful operation of the vehicles.

In addition to violations of the safety and hours of service regulations, the use of owner-operators by authorized carriers frequently results in unauthorized operations. These unauthorized operations involve transportation beyond the territory of the authorized carrier by the owner-operator. Authorized carriers sometimes violate the

act in permitting other such carriers to perform unauthorized service under the guise of equipment leases. Unlawful transportation of this kind is difficult of detection in the absence of regulations governing lease and interchange practices.

On January 9, 1948, the Commission instituted proceedings in Ex Parte No. MC-43, *Lease and Interchange of Vehicles by Motor Carriers*. After lengthy hearings, and two preliminary reports, the Commission on May 8, 1951 prescribed regulations intended to eliminate objectionable operating practices by requiring that authorized carriers using leased or interchange equipment, assume the same control and responsibility for such equipment as they are required to observe with respect to their own equipment and drivers.

In broad general terms, the regulations establish as conditions to the use of nonowned equipment by authorized carriers, that the contract for such usage be in writing and that exclusive possession of and responsibility for the equipment be vested in the authorized carrier during the period of the contract, which shall be for not less than 30 days when the driver is the owner or an employee of the owner of the equipment. Compensation for the use of the nonowned equipment shall not be measured by a percentage of rates or earnings of the vehicle. The rules also require inspection of the equipment and that it be identified as being in the service of and under the responsibility of the authorized carrier. It is also required that appropriate action be taken by the carrier to assure that the use by it, of a vehicle with the owner or his employee as the driver, will not result in violation of the Commission's motor carrier safety regulations. The rules establish what are considered to be adequate safeguards, for equipment used in interchange service by two or more authorized carriers, to assure assumption of full responsibility for the operation of such equipment by the authorized carriers during the period the equipment is operated under the certificates of each such carrier.

Prior to such rules becoming effective, six suits were instituted in the District Courts to test the validity of the rules. The issues were placed before the Supreme Court on direct appeal from two separate judgments denying the injunctive relief prayed for; one in the Southern District of Indiana, *Eastern Motor Express, Inc. v. United States*, 103 Fed. Supp. 694, and the other in the Northern District of Alabama, *American Trucking Associations, Inc. v. United States*, 101 Fed. Supp. 710.

In January 1953, the Supreme Court affirmed the decisions of the district courts and affirmed the right of the Commission to prescribe such regulations. Thereafter we ordered that the regulations become effective on September 1, 1953.

After the decision of the Supreme Court, there was introduced in the Congress bills designed to take from us the power to regulate the duration of any lease of motor vehicles, or the amount of compensation paid for such lease. These bills were supported by certain groups who desired to have continued the unrestricted use of leasing of motor vehicles with drivers for single one-way trips. The bill (H. R. 3203, 83d Cong., 1st sess.) passed the House, and committee hearings were held by a subcommittee of the Senate Committee on Interstate and Foreign Commerce. Because of inability of the Senate to complete action on it before adjournment, requests were made by the Senate Committee on Agriculture and Forestry and by four members of the Senate Committee on Interstate and Foreign Commerce, that the effective date of that part of the regulations which is involved in such legislation be postponed until the Congress shall have time to dispose of such legislation. Pursuant to such requests, we postponed to March 1, 1954, the effective date of the rules which prohibit the lease of a motor vehicle for a period less than 30 days where it is to be driven by the owner or an employee of the owner (usually referred to as trip-leasing) and prohibit the payment of compensation computed on the basis of a division of the revenue earned by the vehicle during the lease.

The regulations which will become effective on March 1, 1954, if the bill is not enacted into law, exempt from the trip-leasing prohibition, motor vehicles owned by farmers or agricultural cooperative associations which have hauled agricultural commodities or livestock to market and are trip-leased on the return of the vehicle to a point in the State of origin. Other exemptions from this and other rules have already been made and may be made in the future when undue hardships caused by any specific requirement are found to exist.

As a result of conditions during World War II, there were thousands of truck owners engaged in interstate transportation of freight without holding certificates or permits. They transported under the guise of leasing to authorized carriers or shippers, usually for single trips. Many authorized carriers without the financial burden of owning equipment and terminals came to depend upon transportation by such owner operators for a large part of the service which they were authorized to perform.

Since the carriers usually paid a percentage of the revenue for such transportation, the rates which they were required to charge bore little relation to the cost of performing the service. Another condition which existed was the practice by authorized carriers of serving points beyond their authority under a pretense of leasing their equipment to a connecting carrier, frequently without the knowledge of the connecting carrier. For such transportation, the originating

carrier usually paid a toll to the connecting line for allowing its rights to be used.

Historically, it has been the presence of unrestricted competition which has caused the greatest confusion in the rate structure. Enactment of H. R. 3203 would undermine the motor rate structure and recreate the confusion which prevailed prior to the passage of the Motor Carrier Act in 1935.

Our primary purpose in prescribing the leasing regulations was to assure that the carrier holding operating authority, and not someone else, shall perform the service covered by such operating authority. The specific rules, such as those requiring the giving of receipts for the vehicle, requiring inspection, placing identification on the vehicle, prohibiting indiscriminate trip-leasing, dividing the revenue with the vehicle-owner, were designed to assure and prove that the authorized carrier was performing the transportation. Any restriction on our power to obtain such assurance will handicap effective regulation of interstate transportation.

INVENTORY AND CLASSIFICATION OF MOTOR CARRIER RIGHTS

From the inception of motor-carrier regulation in 1935, all certificates, permits, and licenses issued by the Commission have been filed numerically. This system does not enable the Commission readily to determine which carriers, or even how many, it has authorized to transport any commodities between any two points or within any territory. It has issued more than 100,000 certificates or permits to 19,000 motor carriers of property, and few certificates are identical as to the operating authority contained in them. Each month the Commission receives about 250 applications for additional rights, and it has no practical and expeditious way to determine whether or not it has already authorized one or more carriers to perform the desired service. It must depend for such necessary information upon protests which may be filed by carriers which may have heard of the new application.

Under these circumstances, it is impossible for the Commission to perform adequately its duty to foster the development of a sound transportation system, adequate to the needs of the public. The Commission has long been aware of the need for this information and has attempted to devise means for analyzing its certificates and permits so that the information would be available to itself and to the public. It has concluded that some method should be installed which will be reasonably effective to furnish the necessary data. Because of the different commodities and the different communities specified in individual certificates, the initial cost of installing any suitable system to classify the operating authorities now outstanding would require an

initial outlay of a substantial amount. This would be a nonrecurring item, but there would be an annual cost involved in keeping the records current.

After 18 years of regulation, the motor-carrier industry has reached a plateau. In order to have a better understanding of what has been done under existing law, and to vision the necessary steps to be taken in the immediate future, a scientific and accurate study of existing authority is required.

This work has not been done in the past because no funds were available for the purpose. The funds presently available are required for the determination of pending proceedings with reasonable dispatch. An earmarked appropriation for this purpose is desirable if the Commission is to consider proceedings with knowledge of the service already authorized.

TRAIN SERVICE, CAR SERVICE AND CAR SUPPLY

During the past year, weather conditions as a whole were favorable to efficient train operations and service. For the 52 weeks ended December 27, 1952, the aggregate loadings were 37,983,428 cars, compared with 40,499,182 cars for the same period in 1951. For the first 37 weeks of 1953 ended September 12, the aggregate loading was 27,424,446 cars, compared with 26,282,235 cars for the same period in 1952, an increase of 4.3 percent over 1952 and a 4.2 percent decrease from 1951. Net ton-miles per serviceable car per day for the first 6 months of 1953 were 964 as compared with 969 for the same period in 1952, 1,026 in 1951, and 896 in 1950.

Several strikes of railroad employees occurred during the year, mostly on smaller roads. However, a strike of the operating employees of the Chicago Great Western Railway Co. was called at 6 a. m. January 25 and continued until March 8. Orders authorizing the diversion of traffic to avoid delay, were issued in each instance.

Heavy snow and high winds during the latter part of February hampered operations for a few days in the Missouri, Minnesota, and Dakota area. None of the railroads' main lines were out of operation for over 12 hours. It required a day or two to remove snow and ice from some industrial switches in the Minneapolis-St. Paul area.

Torrential rains in the northwest section of the United States in January and severe floods in Maine, Vermont, and New Hampshire in March delayed the movement of traffic. Rains, flash floods, and tornadoes in June caused washouts on practically all of the principal railroads in the Minneapolis area. While the washouts on the railroads were numerous, tracks were out of service for comparatively short periods of time. Rains and high water in Florida and Georgia, as the result of hurricane "Florence" in September, caused no serious damage but some disruption of service.

Car service and car supply have been generally satisfactory due to better car utilization by rail carriers, stimulated by the close surveillance of the field force of service agents. Reduction in coal production resulted in some surplus of hopper cars throughout the year. However, the number of agents has been now reduced to such an extent that it will be impossible properly to keep after the matter. Some serious shortages of boxcars existed during October and November 1952, resulting in numerous temporarily blocked elevators.

Difficulty in car supply was experienced in Oregon in June in the lumber territory, which lasted approximately a month. It again became serious in September, although the Southern Pacific had an excess of its car ownership on line. Aggressive handling by the Bureau of Service resulted in a more equitable distribution of cars.

The supply of auto, gondolas, and hoppers has been generally adequate. Some shortages have existed in flat, covered hoppers, stock, and refrigerator cars.

Due to the shortage of refrigerator cars in Florida last December, it was necessary to issue a service order and also have service agents canvass all unloading points to increase the supply.

Due to drought conditions in certain sections of the Southwest this summer, the movement of livestock to markets and to other sections of the country where feed was available, was heavy, making it necessary to move additional stock cars into that territory. There was no serious shortage of cars.

The seasonal wheat harvest has been completed with a minimum of delay due to car shortages. Harvest of corn, cotton, rice, and soybeans is now in progress. Some shortages of high-grade and specialized types of boxcars are reported. Grain loadings this year to September 12 amounted to 1,730,970 cars, a decrease of 5.2 percent compared with 1952 and 4.5 percent compared with 1951.

Average daily car shortages of 3,205 were reported for the week ended September 12 compared with 9,270 for the same period in 1952. These shortages can be expected to increase as the heavy loading period approaches and finds us with an inadequate field force.

The loadings of revenue coal for the 36 weeks ended September 5 were 4,384,168 cars, a decrease of 165,129 cars or 3.6 percent under 1952 and 591,335 cars or 11.9 percent under 1951. Shipments of export coal have also decreased. During the first 8 months of the year 8,703,852 cars of coal were shipped overseas compared with 19,182,656 cars in 1952. It is estimated that there will be little change in overseas exports of about 1 million tons monthly for the next several months.

The following statement shows the loading of open-top cars and covered hoppers this year and last for 36 weeks ended September 5:

	1953	1952	Percent increase
Hoppers.....	8,561,098	7,917,724	8.1
Gondolas.....	4,207,061	3,936,948	6.9
Flats.....	515,122	498,107	3.4
Covered hoppers.....	481,103	425,561	13.1

About 65 percent of the Great Lakes navigation season has been completed as of September 7, while the estimated Lake ore requirements of 95,000,000 tons for the season were about 72.3 percent complete as of that date. Estimated Lake coal requirements of around 40 million tons for the season were 77.8 percent complete as of September 7.

Forty service orders including vacating orders and 58 amendments affecting car supply have been issued during the past year.

The equipment situation of class I railroads and controlled refrigerator car lines as of August 31, 1953, was as follows:

	Freight cars	Locomotives
New installed:		
Year ended Aug. 31, 1953.....	66,664	2,442
Year ended Aug. 31, 1952.....	80,877	3,367
Retired:		
Year ended Aug. 31, 1953.....	54,690	4,669
Year ended Aug. 31, 1952.....	58,316	5,859
New on order:		
Sept. 1, 1953.....	42,360	409
Sept. 1, 1952.....	78,825	1,192
Ownership:		
Sept. 1, 1953.....	1,852,597	29,418
Sept. 1, 1952.....	1,840,623	32,061
Awaiting repairs:		
Sept. 1, 1953.....	97,013	1,541
Sept. 1, 1952.....	108,222	2,426
Serviceable owned:		
Sept. 1, 1953.....	1,755,584	27,877
Sept. 1, 1952.....	1,732,401	29,635

PROTECTIVE SERVICE AND CAR-OWNING COMPANIES

Since our last annual report, we have approved, in accordance with section 1 (14) (b) of the act, three amendments to existing contracts or agreements between common carriers by railroad and other persons for the furnishing to or on behalf of such carriers protective service against heat or cold for property transported in interstate or foreign commerce.

Between September 1, 1952, and September 1, 1953, the railroads and railroad-controlled car-line companies installed 2,273 new refrigerator cars and retired 1,646 making a net gain of 627. On September 1, 1953, the railroads and their controlled car-line companies had 2,664 refrigerator cars on order, and other persons, principally privately owned car-line companies, had 271 such cars on order. Class I railroads and railroad-controlled car-line companies owned 100,552 refrigerator cars, and 24,492 of such cars were owned by other persons, making a total of 125,044. The refrigerator-car supply during 1953 has been adequate with very few exceptions. The supply is adequate at present. The volume of perishable freight moving during the first 8 months of 1953 was 1.7 percent greater than during the same period of 1952. The present trend shows little, if any, change from that of recent months.

SPOTTING SERVICES AT INDUSTRIAL PLANTS

Since our last annual report, we have conducted further investigations into the terminal switching practices at 3 industrial plants. Hearings, or further hearings, have been held in 9 proceedings which are now in the process of disposition. Investigations of many additional industries, with respect to terminal switching, have been greatly curtailed because of the lack of funds and personnel to perform the work.

We have under consideration at the present time a report dealing with the desirability of continuing in effect the tariff, applicable to terminal switching in official territory only, referred to in our Fifty-ninth Annual Report, 1945, Sixty-third Annual Report, 1949, and in our last annual report. Oral argument in that proceeding is now scheduled for December 15, 1953.

In our last annual report we recommended that section 15 (13) be amended so as to prohibit the payment of allowances to shippers for performance of their spotting service at industrial plants except by and with our approval in each individual instance. We repeat that recommendation.

SAFETY WORK AND ACCIDENTS

RAILROAD

The number of persons killed and injured in accidents involving train operation (train and train service accidents) in 1952 totaled 2,793 killed and 19,216 injured, as compared with 3,207 killed and 22,607 injured in 1951. There was a decrease in total casualties from

such accidents in the first 6 months of 1953 as compared with the corresponding period in 1952, as shown in the following statement:

Train and train service, 6 months, January to June

	Number of persons killed		Number of persons injured	
	1953	1952	1953	1952
Trespassers.....	430	438	364	392
Employees on duty.....	119	140	5,314	5,681
Passengers on trains.....	31	3	1,191	998
Travelers not on trains.....	3	5	11	24
Others.....	769	753	2,223	2,227
Total.....	1,352	1,339	9,103	9,322

The volume of railway traffic in the first half of 1953, as measured in revenue ton-miles, decreased 0.5 percent, and passenger-miles decreased 8.5 percent, from that of the same period in 1952. These changes in traffic may be compared with the decrease in the total casualties in train and train-service accidents of 1.9 percent in the same period.

Under the Locomotive Inspection Act all accidents resulting from failure of any part of a locomotive or tender used on the line of a carrier coming within the jurisdiction of the act which result in death or serious injury to one or more persons are required to be reported by the carrier owning or operating the locomotive.

Accidents involving steam locomotives decreased 51.6 percent, and accidents involving locomotives other than steam increased 1.4 percent, as compared with the preceding year. The decreasing number of steam locomotives in service and the increasing number of locomotive units other than steam are indicated in the following statement:

Number of locomotives for which reports were filed for fiscal years ended June 30

	Steam locomotives	Locomotives other than steam (units)
Year 1953.....	15,798	25,374
Year 1952.....	20,490	22,716
Year 1951.....	26,595	19,320
Year 1950.....	29,743	15,719
Year 1949.....	33,866	12,692

Under the Accident Reports Act, approved May 6, 1910, we have investigated the more serious accidents during the past 5 years as follows:

Year ended June 30—	Number of accidents investigated			Persons	
	Collisions	Derailments	Total	Killed	Injured
1953.....	36	17	53	92	1,041
1952.....	39	20	59	109	1,353
1951.....	47	18	65	279	2,193
1950.....	45	22	67	100	1,659
1949.....	46	23	69	80	1,210

A detailed report is issued in each case, setting forth the facts disclosed by the investigation, our conclusions, and such recommendations as are deemed appropriate.

MOTOR

Use of the Nation's highways has been so rapidly accelerated in recent years that exposure to accidents involving vehicles of motor carriers has increased sharply. Use of the highways by both commercial vehicles and private automobiles has grown, consequently increasing the likelihood of accidents. Registrations of all vehicles in 1952 numbered 53,265,406, compared to 51,291,597 in 1951 and with only 40,607,956 in 1948. In 1952, 9,207,341 trucks and truck-tractors and 240,485 buses were registered. The growth of intercity truck transportation is indicated by a 3.76 percent increase in truck and tractor miles of class I carriers of property in 1952, compared with 1951, and an increase of 9 percent in 1951 over 1950.

Accidents reported to the Commission as occurring in the calendar year 1952 numbered 31,712 and resulted in 2,034 deaths, 20,204 non-fatal injuries, and \$35,368,230 in property damage.

Results of accidents involving motor carriers occurring in 1952 are not comparable with data published in our previous annual reports for the reason that such data were based upon accidents reported within the year indicated, rather than those which occurred within such periods. Figures available permit, however, a comparison between accidents which occurred during the first 6 months of the calendar year 1953 and corresponding figures for the preceding year. In the 1953 period, the number of accidents increased by 7 percent, while the number of fatalities decreased by 9 percent; the number of injuries increased by 4 percent; and the amount of property damage increased by 2 percent.

For the fiscal year which ended June 30, 1953, there were reported to the Commission 32,443 accidents resulting in death or injury or in property damage to an apparent extent of \$100 or more. These accidents caused the death of 1,800 persons and nonfatal injury to 20,201 persons. Property damage was \$34,857,250.

The number of accidents reported to the Commission by motor carriers in 1951 was 32,526, and the number reported in 1950 was 25,889. The number of persons killed in accidents reported in 1951 was 1,986, and the number killed in accidents reported in 1950 was 1,735. The number of persons sustaining nonfatal injuries in accidents reported in 1951 was 22,070, and the number injured in accidents reported in 1950 was 18,906.

The figures shown above relate only to those accidents reportable under the Commission's regulations. Such accidents are defined as those resulting in death or injury to persons and those causing property damage of \$100 or more which occur in the interstate operations of common and contract carriers which extend beyond the limits of commercial zones of municipalities. The interstate operations of private carriers and those operations of common and contract carriers which are confined to commercial zones are exempt from the accident reporting requirements.

Our previous annual reports have included information on accidents involving mechanical defects of vehicles which numbered 1,971 in 1951 compared with 1,707 in 1950. Lack of personnel has prevented our preparing similar data for 1952, although reports of this nature have been found to be informative and useful by numerous groups interested in commercial vehicle accident prevention.

The same is true with respect to accidents involving fires and explosions which totaled 669 in 1951 as compared to 591 in 1950. Special studies which contain extensive data relating to mechanical defect accidents covering 1951 were published during this fiscal year and work has been completed on a similar study relating to accidents involving fire and explosion.

Accidents reported as resulting from drivers falling asleep numbered 207 in the fiscal year ended June 30, 1952, compared with 202 in the similar period ended June 30, 1951. The driver-asleep accidents reported represent a small percentage of the total accidents reported to the Commission. This unquestionably is due, in part, to the reluctance of carriers to submit incriminating information and to the fact that drivers involved in such accidents frequently do not admit the true cause thereof.

A complete revision of the Motor Carrier Safety Regulations became effective July 1, 1952. This revision contained important changes in regulations relating to the minimum qualifications of drivers, the

standards of equipment and accessories necessary for safe operation, and in requirements relating to inspection and maintenance of vehicles. During the fiscal year a number of petitions for modification of these regulations was received, resulting in 14 subsequent orders modifying particular rules or changing the dates on which compliance therewith will be required.

Because of the substantial volume of explosives and other dangerous articles now being transported by motor carriers, special attention has been directed by our Section of Safety to the hazards of such transportation and to special studies of carriers extensively engaged in hauling such commodities. We have directed that a special report be prepared by our Section of Safety with respect to every applicant seeking new or additional authority to transport explosives. From June 30, 1952, to October 31, 1953, on the basis of such reports we have directed intervention by our Bureau of Motor Carriers in 86 application proceedings, involving 36 motor carriers, and have instituted 3 revocation proceedings.

A program for the publishing of selected reports of motor-carrier accident investigations was inaugurated during this fiscal year. Five serious accidents occurring during the period have been made the subject of such reports, as follows:

Head-on collision between two buses of Southwestern Greyhound Lines, Inc., near Waco, Tex., on August 4, 1952, resulting in fire. Casualties—28 killed and 25 injured. Cause—operation of bus by a fatigued driver.

Rear end collision between a bus of the Pennsylvania Greyhound Lines, Inc., and a tractor-semitrailer operated by The Kaplan Trucking Co. on the Pennsylvania Turnpike on October 4, 1952. Casualties—4 killed and 10 injured. Cause—brief distraction of bus driver and stopping of tractor-semitrailer on the paved portion of the high speed highway.

Head-on collision between a tractor-semitrailer operated by private carrier Lawrence E. Butler and a private passenger automobile near Washington, N. J., on March 20, 1953. Casualties—10 killed. Cause—truck driver passing while approaching a hillcrest and a curve, and pulling left upon seeing an oncoming vehicle.

Collision of a Pennsylvania Greyhound bus with parked tractor-semitrailer of the Midwest Freight Forwarding Co. on the Pennsylvania Turnpike on June 12, 1953. Casualties—5 killed and 31 injured. Cause—dozing of bus driver and failure of truck driver properly to protect his parked vehicle.

Crushing of a tractor cab by shifting of a load of pipe on a tractor-semitrailer of Belyea Truck Co. in South Gate, Calif., on May 7, 1953. Casualties—1 killed.

TRANSPORTATION OF EXPLOSIVES BY MOTOR

The rapid growth in the transportation of explosives by motor vehicles reported by us last year has continued. This has also been true with respect to other dangerous commodities. As to explosives, the United States Bureau of Mines reports that during 1952 consumption of industrial explosives (including liquid oxygen explosives) in the United States totaled 764,718,364 pounds of which it is estimated that 450,000,000 pounds, or 60 percent, were transported from point of initial manufacture by truck. This figure does not include local deliveries from manufacturing plants to nearby consumers or deliveries from magazines to customers. Large amounts of ammunition and other explosives have been transported for the Armed Forces, but data as to this tonnage are not available.

Our staff continues to work closely with representatives of the Department of Defense and the Defense Transport Administration in cooperative efforts to improve measures for the safe transportation of explosives shipped by the military establishments.

Because of the extensive transportation of explosives and other dangerous commodities by motor carriers, we have directed all possible attention within our limited facilities to the accident-prevention programs of carriers engaged in such transportation. As a result of special studies made in connection with the performance of each applicant seeking additional operating authority, we have directed intervention and introduction of evidence in numerous proceedings in order to provide the basis for a determination as to fitness. In three cases we have instituted revocation proceedings because of unsatisfactory safety records.

Since our last report, up to October 31, 1953, seven explosion accidents have been reported to us. In addition, some fires have occurred in which vehicles have been destroyed while transporting explosives, but without detonation of the cargo. The explosions involved vehicles of common carriers transporting military shipments. Although no deaths occurred as a direct result of any of the explosions, three persons were killed as a result of a collision which preceded one of the explosions. In every case in which explosion has occurred, it has been caused by fire. For this reason our staff has continued to emphasize to motor carriers and to associations of motor carriers the importance of guarding against the causes of such fires. We have particularly emphasized the necessity for preventing, by all possible means, tire fires, and fires resulting from improper wiring and electrical connections, from inadequate fuel systems, and from excessive dirt and grease.

Of the 7 explosions referred to above, 4 resulted from tire fires; another was the result of a collision with a bridge when a front tire

blew out, resulting in fire; 1 resulted from fire of undetermined origin; and 1 was caused by fire following collision of the carrier's vehicle with an automobile.

The number of explosion accidents, the number of fires on explosives-laden vehicles which have not resulted in explosion, and some of the hazardous conditions which have come to our notice which might have resulted in fires or explosions, point up the necessity of the stepping up of our constant and vigorous supervision of the practices of carriers handling explosives traffic.

It is essential, in the interest of public safety, that our ability to supervise and enforce compliance with our regulations be strengthened. The importance of this responsibility has caused us to apportion such a major share of the time of our skeleton field staff to the supervision of explosives traffic that it has been necessary to neglect important safety problems respecting the transportation of other commodities. Yet, the total tonnage of explosives handled by truck is estimated to be less than 1 percent of the total freight tonnage transported by class I motor carriers. The potential danger has been demonstrated to be sufficient to warrant the maximum possible attention on the part of our safety personnel.

The needs of the national defense and the industrial economy require that motor carriers be adequately equipped and that their personnel be trained and constantly supervised in the proper and safe handling of explosives and other dangerous articles. In recognizing this necessity, it is our obligation, as well as that of motor-carrier managements, to insist upon use of the safest possible methods and to guard against dangerous practices. Transportation of explosives by motor vehicle can, in our opinion be performed with reasonable safety. To achieve this result we must be provided with adequate personnel to meet the growing demands of the problem. It should be pointed out that within the past few years the highway transportation of such articles has shown a phenomenal increase. At the present time we have only 17 men assigned to carry on all of the motor carrier field safety work with some limited assistance from other field personnel. In view of the present day magnitude of motor transportation of these commodities, we stress the fact that our present staff is totally inadequate to enable us to discharge the responsibility imposed by statute.

ELECTRONICS IN TRANSPORTATION

As of January 1, 1953, train-communication systems were in use on 92 railroads, 30 railroads having both line-of-road and yard and terminal installations in service, 22 having line-of-road installations only, and 40 railroads having yard and terminal installations only.

The line-of-road installations were in service for operation over a total of 46,829 miles of road, and there were 220 yard and terminal installations. There were 6,756 wayside stations and mobile units, such as locomotives, cabooses, passenger, and other cars, equipped with train-communication equipment and, in addition, 762 portable radio sets were in service.

The line-of-road installations were comprised of radio systems on 35,767 miles of road, inductive systems on 4,976 miles of road, systems using a combination of inductive and space radio equipment on 1,103 miles of road, end-to-end installations employing wire connections through the train on 2,819 miles of road, a combined inductive and wire intercommunication system operating over 87 miles of road; and radio telephone systems provided by communication common carrier, mostly for the purpose of furnishing communication facilities for passengers, were in service on 2,077 miles of road.

The 220 yard and terminal installations consist of 200 radio systems, 11 inductive systems, and 9 installations using leased radio services. Two hundred and four of these installations provide communication between fixed stations and switching engines, and 16 provide communication between portable pack radios, between fixed stations and portable pack radios, and between fixed stations and mobile units other than engines used in various yard operations.

In the calendar year 1952, there was an increase of 4 railroads using train-communication systems in line-of-road service, and an increase of 6,033 miles of road over which such systems were operated. There was an increase of 7 railroads using yard and terminal installations, and an increase of 42 such installations. There was an increase of 1,347 wayside station or mobile units equipped, and an increase of 410 portable sets in service.

For the past 7 years we have recommended that section 25 of the Interstate Commerce Act be amended so as to require any carrier subject to that section to install and maintain, among other things, radio, inductive, or other wayside or train-communication systems intended to promote safety of train operation. Senate bill 539 as passed by the Senate in the first session of the 83d Congress, and similar legislation introduced in the House, would carry this recommendation into effect insofar as radio and other electronic devices are concerned.

LAWS RELATING TO RAILROAD LABOR

The Railway Labor Act, the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and the Carriers Taxing Act authorize us, under certain conditions, to determine whether any line operated by electric power falls within the terms of the provisions of these

statutes which exempt street, interurban, or suburban electric railways therefrom. No applications for such determinations were filed during the past year, and none is now pending before us.

The Railway Labor Act authorizes us to amend or interpret our orders defining the work of employees and subordinate officials of common carriers by railroad. Since our last report we have made a finding with respect to maintenance of way supervisors employed by the Chicago, Rock Island & Pacific Railroad Co. (289 I. C. C. 19), and subsequently denied that carrier's petition for reconsideration.

The following is of interest in the matter of labor employed by railroads engaged in interstate commerce:

In Docket No. 30940, *Status of Parmelee Transportation Company, Chicago, Ill.*, instituted upon request of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, we determined that that company was not a carrier as defined in part I of the Interstate Commerce Act (288 I. C. C. 95).

Upon request of the New York Central Railroad Co. for a declaratory order under section 5 (d) of the Administrative Procedure Act, we instituted a proceeding, under our modified procedure rules, in No. 31190, *Despatch Shops, Inc.—Employee Passes, Declaratory Order*, and determined that employees of Despatch Shops, Inc., a wholly owned subsidiary of the carrier, are not eligible to receive free transportation over its lines under the provisions of section 1 (7) of the Interstate Commerce Act (289 I. C. C. 480).

ADMISSIONS TO PRACTICE

There were 981 applicants admitted to practice during the year which ended October 15, 1953. Of this number, 532, or 54.2 percent, were members of the bar of the highest court of their respective States. The remaining 449, or 45.8 percent, were nonlawyers who were admitted upon successful completion of the written examination which we conduct twice each year.

Of the 586 nonlawyers who took the written examination during the past year, 468, or 80 percent, passed. This indicates no change in the upward trend in recent years of the number taking the examination. However, the proportion of those who were successful remained approximately the same as last year.

The total number of persons admitted to practice since our bar was established on September 1, 1929, is 22,550. Of these, 15,682, or 69.5 percent, were admitted as attorneys, while 6,868, or 30.5 percent, have been admitted as nonlawyers.

REVISION OF RULES OF PRACTICE

On August 8, 1952, the Commission issued a public notice stating that, at the request of the Association of Interstate Commerce Com-

mission Practitioners, it was reopening Ex Parte No. 55, the proceeding in which the present Rules of Practice were prescribed, for the purpose of considering a possible revision of the rules. The notice, in inviting the submission of proposed changes, pointed out that prior to the 1942 revision of the rules, some of the interested associations circularized their memberships and thereafter submitted to the Commission a single document which consolidated and analyzed the proposals thus received, concluding with recommendations as to which proposals were deemed to have merit. In view of the advantages of such a procedure, it was suggested that the associations follow a similar plan, although submissions from individuals would be welcomed.

The Committee on Legislation and Rules, which is directing the study with assistance from a staff committee and in collaboration with a committee from the Practitioners' Association, has received, collated, and summarized suggestions from individuals and interested associations. The committee of the Practitioners' Association has also received many suggestions which are in the process of being analyzed and collated.

This study is being conducted with a view toward possible revision of our rules to simplify the procedure and to expedite the disposition of proceedings before the Commission, in the light of the Administrative Procedure Act, the Federal Rules of Civil Procedure, and the rules of other agencies.

It has appeared desirable to make some changes in the rules without awaiting the outcome of the completed study. Since our last report, rules 44 to 54, inclusive, have been amended to make it clear that investigation and suspension proceedings may be handled under shortened or modified procedure. Also during the past year, special rules of practice have been proposed, but are not yet effective in connection with the giving of notice by publication in certain types of motor-carrier proceedings. In connection with the delegation of authority to the Fourth Section Board, Suspension Board, and Motor Carrier Board, discussed in the section of this report entitled "Boards of Employees," page 78, special rules of practice have been made effective.

In June 1953, the President appointed the President's Conference on Administrative Procedure for the purpose of attaining substantially the same objectives as our study, but on a much broader scale. A member of the Commission and a member of the rules committee of the Practitioners' Association were appointed as members of that conference and are actively participating in its work. Because of the comprehensive nature of that undertaking, it may be desirable to make further changes in our rules when the results of that study are finally announced.

HEARING-EXAMINER LITIGATION

Our last annual report, page 75, noted the then pendency before the United States Supreme Court of two important cases involving hearing examiners. Each case has since been decided favorably to this Commission.

United States v. Tucker Truck Lines, 344 U. S. 33, was decided November 10, 1952. It concerned the validity of an order in a motor-carrier proceeding wherein this Commission's examiner who conducted the hearing was not appointed as a hearing examiner pursuant to section 11 of the Administrative Procedure Act (60 Stat. L. 237). Objection on that ground was made for the first time in a suit in the United States District Court to set aside the order of this Commission. No excuse was offered for failing earlier to raise the objection, and no claim was made of actual prejudice. The court held that the objection came too late, and that the irregularity complained of did not deprive the Commission of power or jurisdiction to dispose of the particular proceeding. As approximately 5,000 other motor-carrier proceedings were under a similar legal cloud, the effect of the decision has been to remove the indicated uncertainty respecting all those proceedings. In *Riss & Co. v. United States*, 341 U. S. 907, reversing *Riss & Co. v. United States*, 96 F. Supp. 452, the Supreme Court held invalid an order of this Commission based upon a hearing upon an application for a certificate of public convenience and necessity before an examiner who was not appointed as a hearing examiner pursuant to section 11 of the Administrative Procedure Act. In that case timely objection was made by the applicant at the hearing.

Ramspeck v. Trial Examiners Conf., 345 U. S. 128, decided March 9, 1953, held that section 11 of the Administrative Procedure Act authorizes the Civil Service Commission to establish more than one salary grade for hearing examiners within a particular agency; and that the clause "shall be assigned to cases in rotation so far as practicable," does not require that such examiners be assigned to cases in mechanical rotation without regard to the difficulty or complexity of particular cases, or the experience or competence of particular examiners. Thus judicial approval has been placed upon examiner practices which this Commission, through long experience, has found most effective for the proper performance of its work, namely, the making of hearing assignments according to subject matter of the proceeding and the competence of the examiner to handle the particular proceeding. An outgrowth of that decision was the introduction on April 21, 1953, of Senate Bill 1708 by Senator McCarran. Under its terms all hearing examiners would be Presidentially appointed, subject to Senate confirmation, for life terms at \$14,000 per annum. The bill was debated at the August 1953, annual meeting of the

American Bar Association, but it is understood recommended action thereon was deferred to await the outcome of studies currently being conducted by the President's Conference on Administrative Procedure. Those subjects include, among others, the status of hearing examiners, and whether their personnel supervision should be transferred from the Civil Service Commission to some administrative office within the Federal judiciary system.

MANAGEMENT IMPROVEMENT WITHIN THE COMMISSION

During the past year, as it has in previous years, the Commission continued to improve its management by (1) improving organization and installing improved methods; (2) eliminating operations considered unessential; (3) setting priorities on work to be done in the light of budgetary restrictions and in accordance with accumulating workloads and shifting workload emphases; (4) making adjustments in functional assignments; and (5) scrutinizing with great care the proposed expenditure of funds in the sense that each request for expenditure was an opportunity to decide whether an improvement in management, organization, procedure, methods, et cetera, would not solve the problem without the expenditure of funds from inadequate appropriations.

The Commission continues, as it has in the past, to be keenly aware of its responsibility to the public for efficiently carrying out its substantive operations, and for spending public funds in the most economical manner. In the past year, many improvements have been accomplished and incorporated in the operations and organizational structure of the Commission, with resultant savings in manpower, money, and materials.

Typical examples of management improvement undertakings during the past year are briefly described below:

1. Surveys of space assignments and utilization has enabled us to release approximately 6,000 feet of space for use by other agencies.

2. Cataloging of files, dating from 1887 to the present, was completed, making possible the future storage or disposition of the records.

3. The Section of Mails and Files has begun to assume the mails and files duties of the Bureau of Traffic, at a substantial saving in salaries. This transfer of the mail function will also release space and equipment and will result in expediting filings made by carriers.

4. Revised voucher examination procedures have resulted in the elimination of some 2,000 index cards and substantial savings in employee salaries.

5. The Commission and the Treasury Department have secured substantial savings by elimination of a dual system of cash and check salary payments to employees.

6. Improved or broadened personnel programs for (a) promotion, recruitment, and selection of personnel; (b) employee development; (c) performance rating; and (d) employee relations and services have been developed.

7. The record-keeping system for personnel has been improved with savings in employee time and in space.

8. Manpower has been conserved by making service of orders on the basis of special lists of parties or by making service on publishing agents, instead of serving all parties to tariffs.

9. In cooperation with carriers' accounting officials, accounting rules are being continuously adjusted in order to secure better disclosure of the most significant operating and management data. Procedures for developing current rail costs for use in suspension cases and other rate work and for developing regional motor-carrier costs were streamlined. The increased use of tabulating equipment resulted in considerable saving of clerical time in preparation of cost data.

10. In the Bureau of Finance, the Section of Securities and the Section of Loans and Reorganizations were combined to increase the flexibility of the organization and to make possible more effective use of the available staff. Amendment of the Rules of Practice has enabled this Bureau to take advantage of the modified procedure, thus avoiding hearings in a number of cases where hearings otherwise would have been required. Savings in travel expenses, per diem expenses, and the time of the hearing examiners is a result. The serving of applications by the carriers, rather than the Bureau, upon the Governors and State commissions in abandonment and construction cases, has proved to be most effective in saving the time of Bureau employees.

11. In formal cases the increased use of the modified procedure has saved considerable time and expense of the examiners (and counsel for litigants, as well) by eliminating numerous oral hearings. The continuous effort being made to increase handling of formal complaints and other formal proceedings under the modified procedure in order to dispense with oral hearings, in whole or in part, and thus to decrease travel and other expenses, with resultant savings in time and money to all interested parties, is shown by the following record:

Calendar year	Placed on modified procedure	Times oral hearing requested
1948.....	17	2
1949.....	37	3
1950.....	44	0
1951.....	49	0
1952.....	124	3
1953 (Jan. 1 to June 30).....	135	2
Total.....	406	10

12. Where possible, in involved proceedings, special rules of practice have been ordered providing for prehearing exchange of the parties' exhibits and prepared statements, resulting in clarifying and pointing up the issues, and in eliminating the extra time required at hearings when counsel must take time to study newly introduced exhibits and plan cross-examination of the witness who prepared the exhibit.

13. Through the cooperation of the Department of Justice a modified policy with respect to dismissals of counts in certain criminal informations and civil complaints has resulted in reducing costs, expenditure of manpower, delay, and uncertainty attendant upon the trial of cases, upon terms found to be adequate in the Commission's consideration of the facts and circumstances.

14. Increased use of field attorneys to handle court actions in their respective areas has resulted in savings in travel and time for attorneys in the Washington office.

15. Increased use of forms and hand stamps has resulted in the elimination of a large amount of typing, and the use of mechanical equipment has reduced the work required in preparing distribution lists, of various forms and reports.

16. Improved methods of handling transfer applications have eliminated duplication of effort and saved time.

17. Greater use of the modified procedure in motor-carrier investigation and suspension proceedings on carrier rates and charges was obtained whereby at least 80 percent of the rate proceedings which go to a decision are handled under the modified procedure, whereas formerly in almost all such cases hearings had to be scheduled.

18. Considerable expansion in the use of forms in lieu of typed letters has speeded up the work on insurance matters.

19. Improved methods in connection with the preparation of reports to be furnished the Commission as to safety records of applicants for authority to transport explosives has reduced the time required on this activity and expedited the submission of the reports.

20. Savings were accomplished by the reduction in the number of motor-carrier field district offices from 16 to 14. A schedule of priorities in these offices has been established so that attention will be given to the major problems and activities. Intensive effort is being made to share common facilities in the field offices, such as stenographic assistance.

21. Standard and improved manuals for field agents have been prepared providing a more complete coverage of instructions to the field forces, and educational programs on procedures for field agents have increased the utilization of manpower in the field.

22. The Section of Explosives has worked with representatives of the United Nations on the adoption of worldwide regulations regard-

ing the movement of explosives and other dangerous articles. This type of activity multiplies the effectiveness of the small staff of this section.

23. In cooperation with the shippers, carriers, and other representative groups, steps leading to simplification and the uniform publication of tariffs are progressing. As a corollary, work is progressing on revising and simplifying the rules and regulations contained in the Commission's tariff circulars. The waiving of certain tariff rules, intended to facilitate the examinations and filing of the tariffs in the Commission, has resulted in less work for the carriers.

24. Increased delegation of authority to the Board of Suspension and the Fourth Section Board and new shortcut methods devised for handling the work of the boards have saved hundreds of hours of labor for the boards' staffs, as well as for Commissioners and their staffs; have reduced backlogs; and have saved materials and hundreds of hours of stenographic labor.

25. Further progress has been made in developing mechanical methods for calculating short-line mileages for waybill study purposes. Establishment during the year of a mechanical miling unit is expected to lead eventually to substantial savings in personnel. Improved methods of ascertaining short-line mileages has already reduced the number of personnel required for this function.

26. Development of additional shortcut methods for valuation of railroads and the familiarization of representatives of the carriers with the procedure followed by the Commission have resulted in economies for the Commission and the carriers.

27. A more actively promoted incentive awards program for Commission employees is producing good results.

REORGANIZATION OF THE COMMISSION

The Wolf Management Engineering Company, under contract from the Senate Committee on Interstate and Foreign Commerce, pursuant to Senate resolution 332 (82d Cong.), completed its investigation and study of the organization and operations of the Commission and rendered its report to the Committee in December 1952. The report recommended the appointment of a Managing Director to take over the supervision of administrative operations under general policies established by the Commission. The Commission had already taken steps to establish such a position previous to the Wolf Company's study, but due to circumstances largely beyond the Commission's control, the Managing Director was not appointed until August 26, 1953. The Commission accepted in principle the recommendations contained in the Wolf Company's report soon after its release. The Managing Director is now proceeding with the initial

stages of the Commission's reorganization with the full support of the Commission.

The Wolf Company's report envisages far-reaching changes in the Commission's organization and operations, including a reduction in the number of bureaus and increased emphasis on personnel, budgetary, and management programs—these latter programs to exist solely to render services to the bureaus handling substantive operations, so that the latter bureaus might more effectively discharge their duties.

BOARDS OF EMPLOYEES

Section 17 (2) of the Interstate Commerce Act provides, among other things, that we may delegate certain of our work, business, or functions to boards to be composed of three or more eligible employees.

In the latter part of 1952 we created the first boards under this statutory authority. The Board of Suspension and the Fourth Section Board, which had been functioning as aids to Division 2 of the Commission, were converted into boards of employees with power to take initial action in connection with the suspension of tariff and rate schedules and the granting of relief from the requirements of section 4 of the act. Certain exceptions were made in this delegation of authority and, at the same time, provision was made for Division 2 to act as an appellate division to review the actions of these boards on proper petitions to that end.

These boards began operation on December 1, 1952, and the experience so far has indicated the wisdom of this action. There has been no complaint of the manner in which these boards have discharged their functions, and members of the Commission, particularly those who compose Division 2, have been enabled to turn their attention to other pressing work of a more urgent character.

On October 8, 1953, we announced the creation of a Motor Carrier Board to begin functioning on November 16, 1953, with power to act initially, with certain exceptions, (1) on requests by applicants to dismiss applications under sections 206, 207, 208, 209, 210, and 211 in proceedings which have not involved the taking of testimony at a public hearing; (2) on applications under section 210a (a) for temporary authority for service by common or contract carriers by motor vehicle; (3) in uncontested motor carrier revocation proceedings under section 212 (a) which have not involved the taking of testimony at a public hearing; and (4) on applications under section 212 (b) relating to transfer of certificates or permits which have not involved the taking of testimony at a public hearing. Division 5 is authorized to act as an appellate division in the review of actions by this board.

EFFECT OF REDUCED APPROPRIATIONS

GENERAL EXPENSES ³

The appropriations for general expenses for each fiscal year beginning with 1940; the estimated cost of congressional salary increases from 1946 to 1954, both inclusive; and the amount available for other than estimated congressional salary increases and the overtime payments made during the fiscal years 1943 to 1946, inclusive, when the administrative workweek was in excess of 40 hours, are as follows:

Fiscal year	Total appropriation	Estimated cost of congressional salary increases	Overtime pay under Public, No. 821, 77th Cong., and Public, No. 49, 78th Cong.	Amount available for other than estimated congressional salary increases and overtime pay
1940.....	\$7,867,000			\$7,867,000
1941.....	7,968,550			7,968,550
1942.....	8,104,940			8,104,940
1943.....	8,152,142		\$511,317	7,640,825
1944.....	7,605,000		935,363	6,669,637
1945.....	7,499,700		890,409	6,609,291
1946.....	7,410,338	\$748,396	98,940	6,563,002
1947.....	9,043,100	1,588,974		7,454,126
1948.....	9,200,000	1,577,459		7,622,541
1949.....	9,710,317	2,185,360		7,524,957
1950.....	9,761,700	2,324,025		7,437,675
1951.....	9,718,600	2,315,841		7,402,759
1952.....	9,479,935	2,786,107		6,693,828
1953.....	9,819,500	2,722,490		6,597,010
1954.....	9,600,000	2,774,295		¹ 6,825,705

¹ Estimated.

The estimated cost of pay increases authorized by public laws ⁴ since 1946 will absorb \$2,774,295 of the appropriation of \$9,600,000 for general expenses for fiscal year 1954. The appropriation for general expenses in fiscal year 1946 was \$7,410,338. The average employment in fiscal year 1946 was 1,839.3. The average employment estimated for fiscal year 1954 is 1,655.0.

The average employment maintained out of the appropriation for general expenses for each fiscal year since 1940 is as follows:

Year 1940.....	2,439.9	Year 1948.....	2,011.1
Year 1941.....	2,521.4	Year 1949.....	1,978.8
Year 1942.....	2,447.6	Year 1950.....	1,920.0
Year 1943.....	2,149.6	Year 1951.....	1,833.7
Year 1944.....	1,865.3	Year 1952.....	1,662.0
Year 1945.....	1,747.6	Year 1953.....	1,625.0
Year 1946.....	1,839.3	Year 1954.....	¹ 1,655.0
Year 1947.....	2,025.7		

¹ Estimated.

³ Includes former appropriations general administrative expenses, regulating accounts, valuation of property of carriers, and motor transport regulations, consolidated effective July 1, 1946, and printing and binding, consolidated effective July 1, 1949.

⁴ Public, No. 106, 79th Cong. (1946); Public, No. 390, 79th Cong. (1947); Public, No. 900, 80th Cong. (1949); Public, No. 359, 81st Cong. (1950); Public, No. 429, 81st Cong. (1950); Public, No. 201, 82d Cong. (1952).

The progressive reductions in personnel have resulted in the adoption of shortcut procedures. They are, however, causing (1) serious delays in production of work; (2) casual and superficial consideration of many important matters, which results in a growing number of complaints that formal proceeding records, tariff publications, carriers' records, transportation problems, and many other matters are not adequately analyzed or reviewed; and (3) inability to recruit new employees to be trained in order to fill positions to be vacated by experienced employees.

Although the Congress has repeatedly expanded the functions of the Commission, it has steadily reduced the Commission's staff through inadequate appropriations. The result has been a steady decline in the Commission's ability to perform adequately the functions and duties required of it by the Interstate Commerce Act and related acts.

The continued expansion of industry, population, and commerce of the Nation presents not only more problems but also increasingly complex ones. The Commission and the transportation industry are confronted with a continuing stream of difficult and burdensome issues. Inadequate staff and appropriations have caused unfortunate and damaging delays in producing data essential to the Commission's regulatory operations.

An adequate, efficient, and economically sound transportation system is vital to the welfare of the Nation, both industrially and defensively. The Congress has vested in the Commission through various statutory powers, the responsibility to achieve these ends. The national transportation policy of 1940 requires the Commission to preserve the inherent advantages of each type of carrier by regulation. Lack of staff endangers the speedy review and investigation required by the Interstate Commerce Act, and so necessary to the effective administration of the regulatory and judicial authority delegated to the Commission by the Congress.

Notwithstanding an increase of more than 57 percent in the number of formal proceedings involving rates, fares, charges, and operating authorities disposed of in the fiscal year 1953, as compared with 1946, the number of such proceedings on hand at the end of 1953 represents an increase of more than 28 percent over those pending at the end of 1946.

RAILROAD SAFETY AND LOCOMOTIVE INSPECTION

The primary purpose of the laws administered through our Bureaus of Safety and of Locomotive Inspection is to promote the safety of employees and travelers on railroads. Notwithstanding the fact that the workload of these two bureaus has been materially increased

because of recent developments in railroad equipment, notably diesel-electric locomotives, streamlined and other new designs of railroad cars, and numerous installations and extensive modifications of railroad signaling, this safety work has been curtailed because of increased travel costs and other administrative expenses and restrictions upon the use of funds appropriated for these purposes.

The railroad safety appropriation for the fiscal year 1952 was \$1,037,000.⁵ The 1954 appropriation is \$974,500. To conform to these limitations, 7 existing and prospective vacancies in our Bureau of Safety staff cannot be filled during the current fiscal year, a reduction to 123 from our authorized force of 130.

In the Bureau of Locomotive Inspection the appropriation for the fiscal year 1952 was \$747,100.⁶ The 1954 appropriation is \$709,500. Ten existing vacancies in our Bureau of Locomotive Inspection cannot be filled during the current fiscal year, a reduction to 102 from the statutory and authorized force of 112.

Safety work such as that carried on by these bureaus cannot be deferred; if curtailed, some of the intended benefits are lost for the time being. If inspections and investigations cannot be made currently, unlawful or unsafe conditions may continue without detection or correction, and the protection to railroad passengers and employees which is intended to be provided by these laws is not obtained. There can be no backlog in safety work of this nature.

A grave problem faces the Bureaus of Locomotive Inspection and Safety in the recruitment of skilled inspectors. Because of the increases in the salaries of those men now employed by the railroads who have the desired experience, the current salary of our inspectors is not sufficient to attract them to our service.

BUREAU OF ACCOUNTS AND COST FINDING

The principal duties of this Bureau include (a) promulgating uniform systems of accounts for companies subject to our jurisdiction and supplying interpretations thereof; (b) analyzing financial data in connection with finance proceedings; (c) inspecting the carriers' accounts and records to determine compliance with our rules; (d) inspecting and correcting quarterly and annual reports filed by class I motor carriers; and (e) preparing cost data for use in rate proceedings.

While the work of this Bureau from year to year follows a somewhat similar general pattern, our accounting and related rules, as well as the interpretation of the rules based on varying situations and also the administration of the rules, must be kept up to date in order to

⁵ Includes \$54,000 supplemental appropriation to cover most of the salary increases under Public Law 201.

⁶ Includes \$40,500 supplemental appropriation to cover most of the salary increases under Public Law 201.

meet the problems arising from changes in economic conditions and in the financial activities of the companies.

On October 31, 1953, there were 3,935 companies subject to our prescribed accounting regulations classified as follows:

Electric lines.....	44
Express company.....	1
Freight forwarders.....	61
Holding companies.....	4
Motor carriers (passenger).....	244
Motor carriers (property).....	2, 624
Pipelines.....	77
Protective service companies.....	8
Railroads, class I.....	127
Railroads, classes II and III.....	331
Sleeping car company.....	1
Switching and terminal companies.....	136
Stockyards.....	30
Water lines.....	165
Joint terminal companies.....	82
Total.....	3, 935

Motor carriers having less than \$200,000 annual gross revenues, and water lines and freight forwarders having less than \$100,000, are not required to keep their accounts under the prescribed uniform systems, but file a simple annual report form. In this group are approximately 18,000 motor carriers, 115 water lines, and 32 freight forwarders. There are also 102 private car lines which file annual reports but are not required to use the protective service companies accounting system.

REGULATION OF ACCOUNTS

During the year we issued, after investigation, 92 orders amending uniform systems of accounts and covering other matters relating to accounting, recordkeeping, depreciation rates, and other matters for railroads, motor carriers and other companies subject to our jurisdiction. In addition, in response to applications, we issued special accounting rules in 46 cases, involving unusual transactions and situations in connection with abnormal losses resulting from accelerated retirements of property; income tax adjustments; security issues and capitalization; and other matters calling for specialized treatment; and we also approved limited modifications in depreciation rates in 188 cases.

Accurate information regarding the true revenues, expenses, and income of railroads, motor carriers, and other companies, together with their financial condition, are of major importance to us in matters involving applications for increases in rates, consolidations and

mergers, new financing, and other matters. This creates a continuing major program and operating problem for us in establishing accounting rules to bring about proper and adequate disclosure of the business affairs of the companies as an aid to regulatory work and for the enlightenment of the public.

Major revisions of our accounting rules to accomplish these objectives now under consideration and upon which substantial progress has been made include (a) rearrangement of the railroad balance sheet and income accounts and statements so as to bring about better disclosure of the most significant financial and operating data; (b) adjustment of the property investment and the accrued depreciation accounts to a more realistic basis in the light of information made available through physical inventory of railroad property; (c) depreciation of track property; (d) reappraisal of the rules covering accounting for Federal income taxes in recognition of the important amounts involved; (e) study of the accounting for transactions between railroads and the Pullman company with particular regard to the contract settlements between the companies; and many other matters. A general revision of our present uniform system of accounts prescribed for motor carriers handling passengers, which will modernize the original issue of 1937, also is a major project. Although the latter project has been delayed, progress is being made.

Beginning in the World War II period railroads were permitted, when we granted authority, to make provisions in their current operating expenses each year to cover costs of scheduled repairs to equipment which they were unable to complete due to unavailability of materials and parts, priority regulations, and adverse labor conditions; conditioned upon the company's setting aside funds to be expended later for the work. During the time of serious shortages, several railroads made provisions in the current accounts for the cost of their uncompleted repair program, but most of them made no provision for work not performed and in recent years only a very few did so. During the year we rescinded the old accounting rule, and at present carriers are not permitted to charge anticipated costs to operating expenses but must wait until the work is done and the expenditures actually are incurred.

On pages 35-37 of our last report we explained in detail that we are not permitting carriers to write off to operating expenses over a 5-year period the amortization allowances for equipment and facilities, which are certified by the defense agencies of the Government, even though such allowances are being treated as deductions for income tax purposes under section 124A of the Internal Revenue Code. During the period herein covered carriers subject to our regulations have been required to record depreciation on their prop-

erty on a "straight-line" basis over the full estimated service life of the property, and no amounts are authorized to be recorded covering accelerated amortization allowances.

Prescribing rates of depreciation for the equipment of railroads and keeping the rates up to date and carefully scrutinizing the rates used by all companies to take care of changing conditions is a continuing function. Studies of many major properties and facilities were made during the year, resulting in revisions of rates previously prescribed and issuance of rates for newly acquired facilities. Facilities of pipeline companies required major attention in some instances because of important enlargement in the size of pipe and of changes in the character of machinery and terminal facilities being installed, which is complicated by the lack of reliable past experience as to the useful life span of this new property. We feel that much additional work in connection with depreciation, particularly the equipment of motor carriers and the newly acquired equipment of railroads, is necessary in order to obtain satisfactory results, but our work program is circumscribed by our manpower shortage and budget limitations; nevertheless, substantial coverage of this work is being accomplished through selection of the most essential projects.

The volume of accounting and related work involved in reorganizations, mergers, consolidations, transfers, and purchases of operating rights and carrier properties, as well as abandonments of lines, and in connection with changes in capitalization, including issuance and refunding of securities, for railroads, motor carriers, and other companies continues from year to year. For railroads and other carriers, exclusive of motor carriers, we reviewed the accounting features to assure accuracy in recording and in other related respects for 98 applications dealing with security issues; 57 cases involving reorganizations, mergers, and acquisitions of property; and 78 cases of abandonments of branch lines or other sections of railroads. In the motor-carrier industry, which is still developing, rearrangements of capitalization, transfers, and purchases and sales of operating rights, mergers, and similar financial activities, are continually occurring in large numbers, and important accounting problems frequently are encountered. During the year we made preliminary review of accounting features in 1,474 applications involving such matters; also, complete review of 275 reports and orders before final action, and 334 comprehensive examinations and analyses of data for use in formal hearings and for other purposes, all looking to the proper accounting for these financial transactions to bring about valid statement of the accounts and adequate disclosure.

FIELD SERVICE

The annual gross operating revenues of all carriers under our jurisdiction during the fiscal year are well in excess of last year's \$16 billion. This includes about \$5 billion for motor carriers of passengers and property. The work program of our field service is designed to accomplish comprehensive examinations of the accounts and records of the carriers to insure accuracy in the data used in our regulatory work and also released for public information. The program contemplates coverage of a substantial number of essential projects each year. In addition, special investigations are made of accounts and records to develop data in connection with issuance of securities, violations of law, and other matters pertaining to our regulatory work. Also, from time to time, our field examiners participate in discussions with associations of the several classes of carriers dealing with application of and improvements in accounting rules and procedures.

During the year the field staff made 1,191 regular examinations of accounts, of which 831 were of motor carriers and 360 of other carriers; and we also made 9 investigations of subjects involving apparent violations of law, propriety of intercompany transactions, and other matters relating to our regulatory work.

On pages 73-75 of our last annual report we referred to our concern respecting questionable practices of carrier management in some cases, including activities of noncarrier affiliates which are set up to perform functions, sometimes at high prices, normally performed by the regulated company. This arrangement can have certain tax-saving and other advantages to carriers, but at the same time may result in erroneous statement of their real earnings based on tariff rates collected from the public. During the year covered by this report considerable attention and study was given to this matter, but our work in this respect was limited by lack of personnel.

During the year the field service of this Bureau investigated and reported a great many cases of noncarrier affiliates being used to serve carrier purposes, more particularly by trucking companies. The purpose was to determine whether operating costs represented by payments to noncarrier affiliates are greater than would be chargeable to operations under our accounting rules, if incurred directly by the carriers subject to those rules. We are also interested to see that carriers do not, by means of noncarrier affiliates, avoid our requirements for reporting correct financial data or for the issuance of securities, or accomplish other purposes not in the public interest.

The number of motor carrier quarterly and annual reports received during the year in the Washington office which were examined for

accounting and statistical accuracy, and corrected in many cases, are shown below:

Kind of report	Received	Examined ¹
Quarterly reports—passenger.....	947	956
Quarterly reports—property.....	9,918	9,822
Annual reports—property and passenger.....	2,565	2,395

¹ Includes reports on hand Nov. 1, 1952.

The data in these reports regularly are used in our work dealing with ratemaking, cost finding and matters in connection with mergers, consolidations, and other regulatory functions, and accuracy in the material is important.

Last year we reported that the work of our field service was necessarily curtailed due to lack of staff so that only superficial examinations were made of the reports of certain types of carriers. This condition has continued. We have continued to lose experienced personnel, without replacements, which creates a mounting difficulty in accomplishing essential work.

COST FINDING

During the year the following studies and analyses, prepared for our use in ratemaking and other regulatory work, were also released to the public as information and use in such matters:

Distribution of Interstate and Intrastate Revenue Contribution by Mileage Blocks—1950.—This study indicates generally the distribution of the rail revenue contribution between the interstate and the intrastate traffic, by lengths of haul for 10-mile blocks. The comparisons are shown for carload traffic for each of six commodity groups based upon all movements within the United States and for selected commodity classes by territorial movements. The traffic data are obtained from a 1-percent sample of the 1950 audited way-bills furnished by the railroads under order of the Commission.

Summary of Return to Cost Inquiry on Railroad Freight Station Costs and Other Performance Factors.—This study provides supplemental data for use in cost-finding work and was released as a matter of information to carriers, shippers, regulatory agencies, and others.

Distribution of the Passenger Deficit for the Year 1951 by Types of Traffic.—This study separates the revenues and costs of the passenger-train traffic among the headend traffic, i. e., mail, express, and baggage, and the passenger carrying traffic. In this study the revenues and costs associated with the different types of passenger service such as coach, sleeping, parlor car, and dining car, are not separated.

Southern Motor Carrier Cost Study—Year 1950.—This study provides unit costs, mileage cost scales, and operating performance factors for three groups of class I motor common carriers of general freight and a number of class II and class III motor common carriers of general freight operating within the southern territory or between the southern territory and other areas. The study represents a continuation of similar territorial motor carrier cost studies. The study also provides a limited amount of additional traffic data of class I motor carriers.

Rail Carload Cost Scales by Territories as of January 1, 1953.—These mileage cost scales bring up to date prior studies which show carload freight service costs by territories. The costs are based upon the operation of class I steam railroads during the year 1951, but are adjusted to reflect wage and price levels as of January 1, 1953. The study shows costs by types of car, by weights of net load, and by lengths of haul.

Revision of the Simplified Procedure for Determining Cost of Handling Freight by Motor Carriers.—This is a reissuance of a cost formula previously issued as a statement in 1950. The formula is designed as a simplified method of developing motor-carrier costs on a basis which relies, in the main, on currently reporting accounts and statistics and does not involve extensive special studies. The present revision recognizes various changes which have been made in expense accounts as set forth in the Uniform System of Accounts for class I common and contract motor carriers of property and concurrent changes in operating statistics as provided in the 1952 Annual Report Form A. The revised formula also provides for the computation of unit costs at the out-of-pocket level including interest on the variable portion of the depreciated investment.

Cost finding and related work was performed in connection with 37 formal proceedings before the Commission. These proceedings included divisions of joint rates, commutation fares of railways and bus lines, switching charges, sleeping-car charges, pickup and delivery charges of railways, express rates and charges, parcel post rates for fourth-class mail, and other matters including rail, motor, and water rates on a variety of individual commodities.

During the year members of our staff attended numerous conferences with representatives of carriers, shippers, and foreign countries for the purpose of discussing cost and related traffic studies.

Cost data were prepared for the Board of Suspension in 1,477 rail, motor, and water matters. These matters included proposed changes in rates or charges governing a wide range of commodities and movements and in about 12 instances revisions in the general level of rates

for entire rate territories. Cost data were also furnished to the Section of Motor Tariffs in matters involving requests for temporary authority.

The preparation of nationwide motor carrier (property) cost studies essential for use in various rate proceedings and investigations for the information of the Commission is continuing. The study of motor-carrier costs in southern territory was completed; necessary studies in other territories will be made as rapidly as personnel becomes available.

During the year, research work was continued for the purpose of simplifying cost finding procedures and making their application more flexible so as to permit the calculation of costs for a wide range of operating conditions; studies have been continued for the purpose of developing out-of-pocket costs. Cost figures provide guides which are very useful in ratemaking to us and to other Government agencies, State regulatory bodies, shippers, carriers, carrier organizations, and research groups.

BUREAU OF FINANCE

Certificates of convenience and necessity, acquisition of control, et cetera.—During the year ended October 31, 1953, 72 applications were filed for permission to abandon about 856 miles of railroad, 80 miles of operation under trackage rights, and 120 miles of ferry operations. The proceedings, in which we rendered 76 decisions, involved the proposed abandonment of about 784 miles of railroad and 303 miles of operations. In 56 of those proceedings, involving 344 miles of railroad and 301 miles of operation, no protests or objections were filed by shippers or public authorities. Protests were filed, and hearings held in 20 cases, involving 446 miles of track and 2 miles of operation. Of the applications protested, we denied 1 involving 6 miles of lines, and authorized the abandonment of the remaining 440 miles of lines and 2 miles of operation. We granted 5 applications involving approximately 100 miles of main lines for which substitute lines were authorized, and 71 applications, involving 467 miles of branch lines of class I carriers, 118 miles of trackage rights, and 209 miles of so-called short lines. Of the short-line mileage, 185 miles were abandonments as to interstate and foreign commerce of the entire lines of the applicants, and 24 were portions of such lines. In proceedings in which certificates were issued, covering 267 miles of road, the estimates of average annual losses from continued operations or of future annual savings resulting from abandonment amounted to approximately \$256,500. In proceedings covering the remaining mileage, estimates of losses or savings were not given. Mileage and losses in abandonments of lines on which no service has been rendered in recent years because of the absence of traffic have not been included.

It has been shown in certain cases that the necessary cost of rehabilitation or of bringing up deferred maintenance of tracks which were permitted to be abandoned, aggregating about 355 miles, would require an expenditure estimated at \$2,933,281. Since this amount would necessarily be expended in order to continue operation, abandonment would result in a saving which, to that extent with reasonable accuracy, can be estimated in advance.

Corresponding data are given in our reports beginning with the report for 1934.

In appendix D we have listed the certificates issued, authorizations granted, and pertinent data with respect to proceedings involving the abandonment, construction, and acquisition and operation of lines of railroad under section 1 (18) of the Interstate Commerce Act, and also consolidations and mergers of carriers, purchases, leases, and contracts to operate properties of carriers by other carriers, acquisition of control through ownership of stock, or otherwise, of carriers by other carriers, or by persons not carriers, and acquisition by carriers of track-age rights over, or joint ownership or use of, railroad lines and terminals of other carriers, under section 5 (2) of the Interstate Commerce Act.

In two cases we authorized transfer of certificates or permits of water carriers under section 312.

One of the more important construction cases considered during the year, from a traffic standpoint, involved applications of the Chicago, Burlington & Quincy Railroad Co. and of the New York Central Railroad Co. for authority to construct relatively short extensions of their lines to serve a large electric energy plant at Joppa, Ill., which point was being served by the Chicago & Eastern Illinois Railroad Co. The applicants contended that they should be allowed to serve the plant directly instead of delivering the coal to the Chicago & Eastern Illinois, and argued that the latter would not be able to handle expeditiously the large number of cars of coal which they would bring from the Illinois coalfields. The Chicago & Eastern Illinois objected to the granting of the applications contending that it could handle the cars delivered to it by the applicants and showed that it had spent almost \$9,000,000 on its own line and for equipment for the purpose of being prepared to handle the new traffic. It showed that it was willing to construct adequate facilities for interchange with the applicants. We denied the applications upon the understanding that the Chicago & Eastern Illinois, at its own expense, would construct adequate facilities for the interchange at Karnak and Goreville, Ill., for the transfer of coal to barges at Joppa, and would accept as its division of the through rate from the mines served by the applicants amounts not in excess of those

which it had proposed. See *Chicago, B. & Q. R. Co. Construction*, 282 I. C. C. 725.

In *South Western R. Co. Control*, 282 I. C. C. 714, the Central of Georgia Railway Co. applied for authority to acquire control of the South Western through purchase of a majority of its capital stock at \$75 a share. Certain minority stockholders contended that the price offered was inadequate. Division 4 in its report discussed the various factors which would have a bearing on the price which should be paid, but found that the record did not permit a finding that the offer was just and reasonable. A further hearing was held, and oral argument heard. Upon consideration of the additional evidence submitted at the further hearing, and the oral argument, we held that the value of the stock of South Western, if that company were independently operated, was less than \$75 a share, but, if operated as a part of the Central of Georgia, was worth that price. The proposed purchase was authorized upon condition that the applicant buy at the same price all such stock offered it. Our action was sustained by the United States District Court for the Middle District of Georgia, Macon Division, in *Benton v. United States of America*, 114 F. Supp. 37, see appendix B hereof.

Another proceeding of interest was that involving the application of the Erie Railroad Co. requesting us to fix a fair and reasonable rental which the Delaware & Hudson Railroad Corp. should pay for the joint use of 34.5 miles of Erie tracks between Jefferson Junction and Carbondale, Pa. The Delaware & Hudson filed a motion that the proceeding be dismissed for want of jurisdiction. We held that unless the existing agreement between the carriers had been terminated so far as the rental provision was concerned, which was a question solely for the determination of the courts, we did not have authority at this stage of the situation to consider or fix the rental which should be paid or give consideration to the request of the Erie that a certificate be issued permitting the Delaware & Hudson to abandon its operation over the tracks involved. The motion to dismiss was sustained and the application dismissed. See *Delaware & H. R. Corp. Trackage Agreement Modification*, 290 I. C. C. 103.

Simplification of corporate structures.—During the year we have authorized transactions under which carriers have incorporated into their systems properties formerly owned by their subsidiary corporations. The net result of those approvals was that 11 subsidiary companies were eliminated.

Controlling persons.—During the year we authorized the National Container Corporation, a noncarrier, through one of its noncarrier subsidiaries, to acquire control of the Valdosta Southern Railroad while continuing control of another railroad through another noncarrier sub-

sidiary, upon condition that the National Container and others extend to connecting carriers a 10-year option under which they or some of them might acquire the properties, or control, of the Valdosta. See *Valdosta Southern Railroad Purchase*, 282 I. C. C. 705.

In *Alabama & Vicksburg Ry. Co. Control*, 290 I. C. C. 36, we authorized the Mississippi Valley Corp., a holding company wholly owned by the Illinois Central Railroad Co., to acquire direct control of the Alabama & Vicksburg through stock ownership and the Illinois Central to acquire indirect control. The Mississippi Valley has joint control of several railroad terminal companies together with railroad companies other than the Illinois Central.

Railway employees.—The procedure for the imposition of conditions for the protection of railway employees who may be adversely affected by transactions under section 5 (2), and abandonments of lines of railroad under section 1 (18) of the act, as explained in our 1946 annual report, has been followed during the past year.

Interlocking directorates.—During the period covered by this report we received 179 applications of individuals. Disposition was made of 179 applications of which 175 were granted and 4 were withdrawn.

Issuance of securities and assumption of obligation.—During the year we authorized under the provisions of sections 20a and 214 the issue of securities for refunding maturing obligations, for refinancing of other unmatured securities, for new money to be used for various corporate purposes, and for the purpose of effecting mergers, reorganization and financial readjustments.

The assumption of obligation and liability with respect to the securities of others, consisting largely of equipment-trust certificates and the securities of subsidiaries has been authorized. Two carriers have jointly filed a special application under the provisions of Ex Parte No. 158, *In Re Competitive Bidding in the Sale of Securities*, 257 I. C. C. 129. This application is still pending. A statement of the amount of securities involved and the purposes to which they have been applied will be found in appendix D.

BUREAU OF FORMAL CASES

The formal complaints filed numbered 303 of which 260 were original complaints and 43 subnumbers, an increase of 82 as compared with the previous period. We decided 284 cases, and 86 have been dismissed by stipulation or on the complainants' request, making a total of 370 cases disposed of, as compared with 423 during the previous period.

Approximately 42 formal and investigation and suspension cases have been reopened for further hearing and reconsideration.

We conducted 226 hearings, 67 arguments, and took approximately 68,790 pages of transcript, as compared with 318 hearings, 73 arguments and 65,480 pages of transcript during the previous period.

The following statement shows certain facts with respect to the condition of the docket as of October 31 of the years indicated:

	1950	1951	1952	1953
Formal complaints filed.....	305	227	200	260
Subnumbers.....	110	64	21	43
Investigation and suspension cases instituted.....	146	106	81	110
Cases under submission at end of period:				
Regular docket.....	54	56	31	46
Shortened procedure.....	29	29	19	2
Cases disposed of including subnumbers and reopened cases.....	467	502	469	437
Number of cases pending.....	678	629	542	604
Additional proceedings disposed of by formal reports:				
Fourth-section applications.....	30	36	24	15
Ex parte proceedings.....	16	21	11	13
Railway Labor Act (electric railway dockets).....	0	0	1	0
Water-carrier applications.....	9	4	5	10
Freight-forwarder applications.....	8	1	3	9
Section 5a applications.....	4	2	5	4

Approximately 75 percent of the total number of formal complaints filed in the year ended August 31, 1953, were assigned for handling by the modified procedure method, as compared with 43, 43, and 43 percent during the corresponding 3 preceding years. Approximately 58 percent of the total number of investigation and suspension proceedings for the same period were assigned for handling by the modified procedure method.

BUREAU OF INFORMAL CASES

The number of informal complaints filed under parts I, II, III, and IV of the act was 1,849, a decrease of 387 as compared with the preceding year. The number of such complaints disposed of was 2,015. In a large number of the complaints numerous reductions in rates were secured, refunds of overcharges were made to shippers and passengers, and damages were paid to shippers for the misrouting of shipments by carriers. Many claims also were paid by the carriers for damage to freight.

Rail carriers filed 1,588 special-docket applications for authority to refund freight charges alleged to be unreasonable, a decrease of 319. Orders authorizing refunds were entered in 1,552 cases, a decrease of 186, and reparation thereunder was awarded in the sum of \$1,879,346.84. In addition, 327 special-docket cases were dismissed or disposed of without orders. The Bureau also handled approximately 13,000 letters, many of which had the characteristics of informal complaints although not classified as such, an increase of approximately 1,000 letters over the prior year.

The personnel of the Bureau now totals 14, of which 12 are engaged in the handling of correspondence, informal complaints, and special-docket applications. In addition to the correspondence handled, these 12 employees disposed of 3,894 informal complaints and special-docket applications, or an average of 325 cases per employee. It is apparent that, at relatively lower cost to the Government, adjustments under special-docket and informal complaint procedure help diminish time and expense of formal complaint and hearing for parties. Some of the orders on the special-docket cover complaints originally submitted on the formal docket.

The Bureau assists interested parties in adjusting their rates and other transportation difficulties through the medium of informal conferences and by correspondence. Through the efforts of this Bureau, problems of complainants and defendants, in appropriate cases are handled by inexpensive informal procedure. It is recommended that litigants increasingly avail themselves of informal procedure and informal conferences with the Bureau wherever practical, with the view to saving time, effort, and expense for themselves as well as for the Government.

BUREAU OF INQUIRY

This Bureau is engaged principally in the enforcement of the criminal and penal provisions of parts I, III, and IV of the Interstate Commerce Act and related statutes. The investigations of complaints referred to the Bureau for attention are conducted to determine whether violations of the statutes have occurred in connection with common-carrier transportation via railroads, water carriers, and freight forwarders, or by shippers using such facilities and services. The investigations are conducted by special agents at various points throughout the country, under the direction of attorneys who, in turn, review the reports and data procured during the course of the investigation, and make recommendations as to further disposition, of the matters. When prosecution or other court action is approved the cases are prepared by our attorneys for submission to the United States attorneys having jurisdiction. Where necessary or desirable our attorneys and special agents assist in the presentation of the evidence to grand juries, when indictments are sought rather than the filing of criminal informations, and to the courts, and otherwise assist United States attorneys in the handling and disposition of the cases.

Attorneys of this Bureau also frequently are assigned to represent the Commission as counsel in the preparation and presentation of evidence and exhibits in formal docket proceedings. Usually our

special agents are required to conduct field investigations prior to the hearings in order to develop material evidence relating to the issues.

Approximately 100 investigations of alleged statutory offenses, exclusive of formal-docket investigations and other matters, were conducted during the year. The field investigations involved a variety of offenses by both carriers and shippers. Some of these were undertaken in consequence of complaints of alleged violations of service orders, principally Service Orders Nos. 859 (Railroad Freight Cars to be Stopped to Complete Loading), 866 (Railroad Operating Regulations for Freight Car Movement), 869 (Use of Refrigerator Cars for Certain Commodities Prohibited), and 876 (Requirements for Loading of Lumber and Lumber Products). With a lessening in the number of service order violations brought to the attention of this Bureau for investigation, the efforts of the Bureau have been directed toward other offenses, such as false billing of various commodities, violations of tariffs, unlawful extension of credit, falsification of records, placing of contraband in carload shipments, performing free loading services for shippers, and violations of the Commission's Regulations Governing the Transportation of Explosives.

In the field of demurrage tariff violations, two cases were brought to a close with the imposition of a fine of \$10,000 against the Panhandle & Santa Fe Railway Co., and a directed verdict of not guilty as to the American Smelting & Refining Co., at El Paso, Tex. The carrier was charged, in a 10-count information, with failure to assess and collect demurrage charges, and the shipper was charged with failure to pay such charges. Trial by jury of charges against the shipper resulted in a directed verdict of not guilty. Another demurrage matter, involving the Granite City Steel Co. of Granite City, Ill., grew out of an investigation relating to possible violations of Service Order No. 866 by a rail carrier. The investigation developed that this shipper knowingly solicited, and received concessions on demurrage charges. Defendant entered a plea of *nolo contendere* to 15 counts of an information in 20 counts and the court imposed a fine of \$15,000. In the Eastern District of Wisconsin three demurrage cases against the Chicago & North Western Railway Co., Chicago, Milwaukee, St. Paul & Pacific Railroad Co., and Minneapolis, St. Paul & Sault Ste. Marie Railway Co., were concluded. Trial by jury was held, in which the 3 cases were consolidated, on informations in 10 counts against each carrier for unlawfully and knowingly offering and giving concessions on demurrage charges to the Allis-Chalmers Mfg. Co. A verdict of not guilty was reached at the conclusion of this trial.

Three cases involving the granting of unlawful extension of credit were concluded in the Northern District of Texas and in the Southern District of California. The Chicago, Rock Island & Pacific Railroad Co., at Dallas, Tex., entered a plea of guilty to an information in 20 counts charging it with failure to observe strictly its demurrage tariff and with the granting of concessions through unlawful extension of credit. The court imposed a fine of \$10,000 on 10 counts of the information and dismissed the remaining counts. At Los Angeles, Calif., 2 informations, each in 15 counts, were disposed of against the Atchison, Topeka & Santa Fe Railway Co., and Southern Pacific Co., for extension of credit violations, by pleas of *nolo contendere* to 3 counts of each information and the imposition of a fine of \$3,000 against each carrier, and the remaining counts of the informations were dismissed.

An investigation conducted by one of our special agents into the billing practices of the Newark Paraffine & Parchment Paper Co., disclosed that this shipper had been falsely billing shipments moving by rail as well as by water carrier. Two informations, one in 9 counts and the other in 12 counts as to water and rail shipments, respectively, were filed in the District of New Jersey, charging defendant with violations growing out of these practices. Defendant entered a plea of *nolo contendere* as to 4 counts of the first and 6 counts of the second information, upon which fines of \$4,000 and \$6,000 were imposed, and the remaining counts were dismissed.

In the Southern District of New York two court cases against the A. B. C. Freight Forwarding Co. and the Baltimore & Ohio Railroad Co. were concluded, with pleas of guilty by both defendants to informations charging the carrier with unlawfully granting and giving concessions and the shipper with knowingly soliciting and receiving concessions in connection with free loading services on carload freight. A fine of \$3,000 was imposed on the railroad as to 3 counts of a 10-count information and \$3,000 on the shipper as to 3 counts of a 10-count information, the remaining 7 counts of each information thereupon being dismissed.

Four other cases involving other types of violations were also disposed of during the year. The first of these related to violations of the Commission's Regulations Governing the Transportation of Explosives, and was brought in the Northern District of Ohio at Toledo against The Detroit & Toledo Shore Line Railroad Co. on an information in two counts. Defendant entered a plea of guilty and incurred a fine of \$500. In the District of New Jersey a water carrier, Meseck Steamboat Co., Inc., was charged, in a four-count information, with knowingly and willfully engaging in interstate transportation as a

common carrier contrary to the provisions of the act. A fine of \$1,000, based on \$250 per count, was imposed by the court. Another matter, relating to the falsification of records in connection with the personal injury of a railroad employee, was filed against the Southern Ry. Co., and Shepard S. Lewis, an official of the company, in the Western District of North Carolina. Defendants entered a plea of *nolo contendere* to an information in two counts, whereupon the court imposed a fine of \$5,000 against the railroad and \$100 against the official involved. The remaining case against the Texas Ice and Refrigerating Co., and J. W. Harding, president of the corporation, was concluded in the Northern District of Texas at Dallas. An information, in 11 counts, charging these defendants with having placed contraband in carload shipments of eggs for export into Mexico, was filed, to which defendants entered a plea of *nolo contendere* to all counts, whereupon the court imposed a fine of \$11,000.

For violations of Service Order No. 866 the following rail carriers incurred penalties: Chicago Great Western Railway Co., in the Northern District of Iowa, \$3,000; Chicago, Rock Island & Pacific Railroad Co., in the same district, \$2,800; Illinois Northern Railway, in the Northern District of Illinois, \$2,000; New York Central Railroad Co., Northern District of Ohio, \$350; and Panhandle and Santa Fe Railway Co., Western District of Texas, \$2,000. Nine cases were concluded against the Pennsylvania Railroad Co. in the Southern and Northern Districts of Ohio and the Western District of Pennsylvania, for violations of Service Order No. 869, with penalties in the amount of \$1,000 in each case. Another service order matter involving Service Order No. 859 was disposed of in the District of Oregon against the Southern Pacific Co. with a penalty of \$2,500. At the close of the year 10 service order proceedings were pending in court. Five of these in the Western District of Washington and 4 in the District of Oregon involve Service Order No. 876, and the other involving Service Order No. 866 is pending in the Northern District of Illinois.

Also pending in court, in addition to the aforementioned service order matters, are seven other proceedings. An information has been filed in the Southern District of Iowa against a rail carrier for extension of credit on demurrage charges. Two others in the District of Delaware relate to the sale of a plant site by a railroad company to an automobile manufacturer. Two pending cases in the District of New Jersey and in the District of Nevada involve violations of the Commission's Regulations Governing the Transportation of Explosives. Another in the Eastern District of Wisconsin relates to false billing of express shipments by a cheese manufacturer, and the

remaining case in the Eastern District of Virginia charges unlawful issuance of free transportation to unauthorized persons.

For violations of the Interstate Commerce Act and related statutes 2 indictments were returned and 8 informations and 5 complaints were filed in various district courts. Thirty cases were concluded which resulted in the imposition of fines and penalties totaling \$96,650.

During the year 5 attorneys were assigned to represent the Commission in 17 of its formal docket cases. Nine cases involved investigations and hearings in connection with *Ex Parte No. 104, Part II, Terminal Services*. There were seven formal docket cases in which the Commission was represented at the hearing by Bureau attorneys, who also supervised the investigations. These cases were: Finance Docket No. 16250, *Boston & Maine Railroad Securities Modification*; No. 30416, *Class Rates, Mountain-Pacific Territory*; No. 30660, *Class Rates, Transcontinental Rail, 1950*; No. 31257, *Legality and Propriety of Payments by Boston and Maine Railroad, Etc.*; No. 30953, *Passenger Fares, Hell Gate Bridge, New York, N. Y.*; No. 30980, *Irregular Practices and Transactions of Norfolk Southern Railway Co. and Norfolk Southern Bus Corp.*; and No. MC-C-1394, *Forwarder-Motor Carrier Contracts*.

Prosecutions instituted or concluded had their venue in the following States: California, Illinois, Iowa, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Texas, Virginia, and Wisconsin.

A summary (a) of the disposition during the year of indictments returned and informations and complaints filed in the United States District courts, and (b) of cases pending in those courts on October 31, 1953, is set forth in appendix A.

BUREAU OF LAW

On October 31, 1952, there were pending in the courts 68 cases involving our orders or requirements. During the year 46 cases were instituted, 2 were remanded to the District Court by the Supreme Court, and 32 were concluded, leaving 63 cases now pending. Of these, 3 are in the Supreme Court of the United States, 1 is in the Court of Appeals for the Ninth Circuit, and 59 are in the district courts.

Twenty-one cases were submitted and decided by the Supreme Court, 2 of which were remanded to the district courts for further proceedings, and 32 were concluded in the district courts.

Summaries of all the foregoing cases are shown in appendix B.

The cases decided by the Supreme Court were:

United States v. Tucker Truck Lines, 344 U. S. 33.

On November 10, 1952, the Supreme Court reviewed our report of January 13, 1950, in Docket No. MC-105120 (Sub-Nos. 3 and 4), *C. L. Cunningham Extension—Missouri and Other States*, 51 M. C. C. 811, and held that an objection to the status of an examiner as a hearing examiner should have been raised during the course of the hearings before the examiner, and if not, the objection comes too late. The Court concluded as follows:

The question not being foreclosed by precedent, we hold that the defect in the examiner's appointment was an irregularity which would invalidate a resulting order if the Commission had overruled an appropriate objection made during the hearings. But it is not one which deprives the Commission of power or jurisdiction, so that even in the absence of timely objection its order should be set aside as a nullity (p. 38).

The case was remanded to the district court for decision on the merits.

The opinion was by Mr. Justice Jackson. Mr. Justice Frankfurter and Mr. Justice Douglas dissented in separate opinions.

Chicago & North Western Railway Co. v. United States, 344 U. S. 871.

On November 10, 1952, the Supreme Court, in a *per curiam* opinion, sustained our motion to affirm in this case, involving our report and order of September 27, 1951, in Docket No. 30288, *City of Milwaukee v. Chicago & N. W. Ry. Co.*, 283 I. C. C. 311, wherein we found that the extension of a line of the Milwaukee to the Municipal Harbor Terminal at Milwaukee, Wis., was required by public convenience and necessity, and that the use of terminal facilities, including right-of-way of the North Western, for purpose of effectuating such extension was in the public interest, and practicable, and would not substantially impair the ability of the North Western to handle its own business. The district court sustained our report, and the Supreme Court affirmed.

On December 8, 1952, the Supreme Court denied petition for rehearing, 344 U. S. 900.

Copperweld Steel Co. v. United States, 344 U. S. 871.

On November 10, 1952, the Supreme Court, in a *per curiam* opinion, granted our motion to affirm the decision of the District Court for the Western District of Pennsylvania (106 F. Supp. 283), which had sustained our report of September 28, 1951, in I. and S. Docket No. 5357, *Terminal Allowance, Copperweld Steel Co., Warren, Ohio*, 283 I. C. C. 327, wherein we found respondent's obligation under its interstate line-haul rates did not extend to interchange tracks described in the report, and found that performance by respondent, Baltimore & Ohio Railroad Co., of switching services beyond the described tracks, without charge in addition to the line-haul rates,

or the payment of an allowance to the industry in lieu of such service, was unlawful.

On December 8, 1952, the Supreme Court denied petition for rehearing, 344 U. S. 900.

W. J. Dillner Transfer Co. v. United States, 344 U. S. 883.

On November 17, 1952, the Supreme Court, in a *per curiam* opinion, sustained the decision of the District Court for the Western District of Pennsylvania (101 F. Supp. 506) on the authority of *United States v. Tucker Truck Lines*, 344 U. S. 33. This was a suit to set aside our order of May 18, 1949, in Docket No. MC-108068 (Sub-No. 12), *U. S. A. C. Transport, Inc., Extension—Western States*, 49 M. C. C. 1059, granting authority to transport aircraft, aircraft parts, et cetera, between points in the United States. Dillner claimed he had no notice of the application and that the hearings had not been conducted by an examiner appointed under the Administrative Procedure Act. The district court overruled these claims and the Supreme Court affirmed on the authority of the *Tucker* case, *supra*.

Interstate Commerce Commission v. United States, 344 U. S. 893.

On November 24, 1952, the Supreme Court denied petition for writ of certiorari in this case, involving our report and order of July 25, 1947, in Docket No. 29117, *United States v. Aberdeen & R. R. Co.*, 269 I. C. C. 141, wherein we found that the railroad's failure to make complainant an allowance for wharfage and handling incident to shipside receipt and delivery of the latter's export, import, coastwise and intercoastal freight at Army Base Piers (1) and (2) at Norfolk, Va., or to furnish wharfage and perform the handling service themselves, was not an unjust and unreasonable practice, or result in unjust discrimination in violation of sections 1 and 2 of the act, and directed dismissal of the complaint. The Court of Appeals for the District of Columbia, 198 F. (2d) 958, set aside our order in this case and remanded the proceedings to us to make findings on certain matters deemed essential by that court. By denying our petition for the writ, the Supreme Court declined to disturb these holdings of the Court of Appeals.

Newtex Steamship Corp. v. United States, 344 U. S. 901.

On December 15, 1952, the Supreme Court granted our motion to affirm, involving our report and order of August 9, 1951, in Docket No. W-376 (Sub-No. 10), *Pan Atlantic Steamship Corp. Extension—Houston*, 285 I. C. C. 33, finding that public convenience and necessity required extension of applicant's presently authorized operations so as to include Houston and Galveston, Tex. From a decision of the three-judge court for the Southern District of New York, 107 F. Supp. 388, sustaining our conclusions, the plaintiffs appealed to the Supreme Court, which affirmed the decision *per curiam*.

King v. United States, 344 U. S. 254.

On December 22, 1952, the Supreme Court sustained our report of May 4, 1950, in Docket No. 30140, *Increases in Florida Intrastate Rates*, 278 I. C. C. 41, requiring respondent railroads operating in the State of Florida, to cease and desist from practicing the unjust discrimination and undue preference and advantage found in said report to exist, and holding that said railroads should maintain and apply for the intrastate transportation of freight from and to points in Florida, freight rates and charges approved in said report. A three-judge District Court sustained our order, 101 F. Supp. 941.

Mr. Justice Burton delivered the opinion of the Court and held that (1) in prescribing intrastate freight rates for railroads under section 13 (4) of the Interstate Commerce Act, we may give weight to deficits in passenger revenue, and (2) the findings of the Commission were entirely adequate and sufficient to sustain the rates we had prescribed. The Court showed that while in 1914 we had concluded that each class of service should completely and independently provide its own proportionate share of expenses and profits, steadily increasing passenger operating costs, together with the growth of vigorous competition from automobiles and other forms of transportation, made it necessary for a change of policy on our part, which change of policy was sustained in this decision. The Court said "that there is no reason why the Commission may not give weight to passenger deficits in prescribing the intrastate freight rates in Florida, as it does in prescribing interstate freight rates for the southern territory," and that the Court's own prior decisions in *Northern Pacific R. Co. v. North Dakota*, 236 U. S. 585, and *Norfolk & W. R. Co. v. Conley*, 236 U. S. 605, "favor, rather than oppose, this position."

The findings made by us in this case, sustained by the Court, were held adequate to support our conclusions, and findings which were lacking in *North Carolina v. United States*, 325 U. S. 507, in which the Supreme Court invalidated our order, were not lacking in this case. The Supreme Court said:

[T]he administrative arm of the Commission [would be] paralyzed, if instead of adjudicating upon the rates in a large territory on evidence deemed typical of the whole rate structure, it were obliged to consider the reasonableness of each individual rate before carrying into effect the necessary increased schedule. * * * Where the Commission seeks to deal generally with rates and revenues in a large area on evidence typical of the area as a whole, it may proceed by way of a general order supported by sufficient evidence applicable to the whole territory. At the same time it is well for it to leave the way open, as it did here, for modifications of that general order in specific situations where the general order is not justly applicable. * * *

For these reasons, we conclude that the findings before us sustain the order of the Commission and that the Commission was authorized to give the weight it did to passenger deficits when prescribing intrastate freight rates. (Pp. 275-276.)

A dissenting opinion by Mr. Justice Douglas was concurred in by the Chief Justice. Mr. Justice Black dissented on the authority of *North Carolina v. United States*, 325 U. S. 507.

Northern Pacific Ry. Co. v. Montana, 344 U. S. 905.

In this case the Supreme Court on December 22, 1952, vacated the decision of the District Court for the District of Montana, 106 F. Supp. 778, 786, involving our order of February 4, 1952, in Docket No. 30674, *Montana Intrastate Freight Rates and Charges*, 284 I. C. C. 167, which order the District Court had on August 13, 1952, set aside and enjoined. The Supreme Court remanded the action to the District Court for further proceedings in the light of its decision in *King v. United States*, 344 U. S. 254.

American Trucking Association, Inc. v. United States, *Eastern Motor Express, Inc. v. United States*, and *Secretary of Agriculture v. United States* (three cases) 344 U. S. 298.

On January 12, 1953, the Supreme Court affirmed the decisions of the district courts (101 F. Supp. 710; 103 F. Supp. 694), sustaining our report and order of May 8, 1951, in Ex Parte No. MC-43, *Lease and Interchange of Vehicles by Motor Carriers*, 52 M. C. C. 675.

The Court's decision first considered the existing conditions of the motortruck industry and its regulation as developed during our hearings because "only against such a background are the rules meaningful." It was the Court's conclusion that section 204 (a) (6), which empowers us to prescribe rules, regulations and procedure for the administration of the act, afforded ample authority for our action. This conclusion also disposed of appellant's contention that the rules are invalid because they violate the national transportation policy. Concerning the claim that the exemptions therefrom made the rules arbitrary, the Court held that there was a reasonable relationship between the aims of the regulatory scheme and the exemptions in the rules.

The Supreme Court also concluded that there was no violation of the provisions of sections 208 (a) and 209 (b) of the act conferring upon the carriers a right to augment their equipment, as the development of the business and the demands of the public shall require. The leasing regulations were held not to be a "limitation on the addition of more vehicles of the authorized type."

With respect to the agricultural exemption contained in section 203 (b) (6), as to which the 30-day lease provision would make leasing of return trips impossible, the Court held that "The mere fact that commercial carriers of agricultural products will hereafter be required to establish their charges on the basis of an empty return trip is not the same as bringing them within Commission jurisdiction generally."

The Supreme Court also held that the requirements of section 7 (c) of the Administrative Procedure Act that "the proponent of a rule or order shall have the burden of proof," was inapplicable to the present proceedings because the rulemaking authority in the instant case stems from section 204 (a) (6) of the Motor Carrier Act, and nothing therein requires a record or a hearing, although in this case we had conducted very extensive hearings.

The last point discussed in the Court's opinion concerned appellants' claim of a right to introduce evidence of confiscation. Such evidence would concern the value of plaintiff's property and rights and the effect of the order on such property and rights. The Court held that appellants had an opportunity to introduce this very evidence before the Commission, and the fact that the value of some going concerns may be affected, does not support a claim under the fifth amendment. The Court held our order to be valid even if its effect is to drive some operators out of business. Under the circumstances, the Court concluded that appellants had no constitutional claim in support of which they are entitled to introduce evidence *de novo*, and the lower court did not err in sustaining an objection to such evidence.

The opinion was by Mr. Justice Reed, with Mr. Justice Black and Mr. Justice Douglas dissenting.

On March 9, 1953, the Supreme Court denied petitions for rehearing in these cases, 345 U. S. 913.

Chicago & Eastern Illinois Railroad Co. v. United States, 344 U. S. 917.

On January 12, 1953, the Supreme Court, in a *per curiam* opinion, granted our motion to affirm the decision of the United States District Court for the Southern District of Indiana (107 F. Supp. 118), involving Division 2's report and order of September 21, 1951, in I. and S. Docket No. 5782, *Automobiles from Evansville, Ind. to Missouri*, 283 I. C. C. 135, finding that reduced rates on automobiles, in carloads, and on automobile parts, in mixed carloads with automobiles, from Evansville, Ind., to St. Louis, Mo., have not been shown to be just and reasonable, and ordering such rates canceled.

Malone Freight Lines, Inc. v. United States, 344 U. S. 925.

On February 2, 1953, the Supreme Court, in a *per curiam* opinion, granted our motion to affirm in this case, involving Division 5's report and order of August 23, 1951, in Docket No. MC-C-1132, *Akers Motor Lines, Inc. v. Malone Freight Lines, Inc.*, 53 M. C. C. 353, finding that Malone Freight Lines was performing transportation as a motor common carrier of property in interstate commerce between points within a single radial destination territory not authorized by its certificate, and directing the carrier to cease and desist from

engaging in such operations in violation of the Interstate Commerce Act. The lower court's decision sustaining our report and order is reported in 107 F. Supp. 946.

Mr. Justice Black and Mr. Justice Douglas were of the opinion that probable jurisdiction should be noted and the case set down for argument.

On March 9, 1953, the Supreme Court denied petition for rehearing, 345 U. S. 914.

Herrin Transportation Co., Inc. v. United States, 344 U. S. 925.

On February 2, 1953, the Supreme Court, in a *per curiam* opinion, granted our motion to affirm, involving our report on reconsideration dated September 27, 1951, in Docket No. MC-F-4130, *Herrin Transp. Co.—Purchase—Mobile Exp., Inc.*, 58 M. C. C. 59, which denied application of plaintiff for authority to purchase the operating rights of Mobile Express, Inc., and of Robert T. Herrin for authority to acquire control of the operating rights through the purchase. The decision of the district court sustaining our order is reported in 108 F. Supp. 89.

On March 9, 1953, the Supreme Court denied petition for rehearing, 345 U. S. 914.

Ramspeck v. Federal Trial Examiners Conference, 345 U. S. 128.

On March 9, 1953, the Supreme Court reversed the decision of the lower court in this case (202 F. (2d) 312) and sustained certain regulations issued by the Civil Service Commission pertaining to the appointment, promotion, tenure, and compensation of hearing examiners. This case was of particular importance to us because at the time of the litigation referred to, and now, we had hearing examiners in grades GS-11 to GS-15, with salaries ranging from approximately \$5,940 per annum to \$11,800 per annum. If the decisions of the lower courts had been affirmed by the Supreme Court and all hearing examiners in this Commission (at the time we had 115) were placed in the same grade, increased appropriations would have been required. The Supreme Court in effect sustained our past practice under which we separated the simple, moderately difficult, and extremely difficult cases in assigning such cases to examiners based upon the amount of experience such examiners have had in conducting hearings, and also based upon the subject matter of the proceeding.

The opinion was by Mr. Justice Minton; Justices Frankfurter, Black and Douglas dissented.

On April 6, 1953, the Supreme Court denied petition for rehearing, 345 U. S. 931.

Baltimore & Ohio R. Co. v. United States, 345 U. S. 146.

On March 16, 1953, the Supreme Court, in an opinion by Mr. Justice Black, sustained our order of January 7, 1952, in Docket No.

30074, *Texas Citrus and Vegetable Growers and Shippers v. Atchison, T. & S. F. Ry. Co.*, 279 I. C. C. 671, 284 I. C. C. 206, prescribing reasonable bases of rates on carrots, in carloads, from points in Texas to points in official, southern and western trunkline territories, and on certain other vegetables from Texas to official territory. The Court after setting out a number of elements considered by us in our report in this case, concluded:

This mere sample of factors that have to be considered in rate cases demonstrates the absolute necessity for considerable flexibility in rate making. For not only are fair decisions as to vegetable rates vital to the welfare of farmers and whole sections of the country; the health and well-being of the Nation are involved. Moreover, Commission power to adjust rates to meet public needs is implicit in the congressional plan for a nationally integrated railroad system. *United States v. Lowden*, 308 U. S. 225, 230; *The New England Divisions Case*, 261 U. S. 184; *Railroad Commission of Wisconsin v. Chicago, B. & O. R. Co.*, 257 U. S. 563, 583-586. And so long as rates as a whole afford railroads just compensation for their over-all services to the public the Due Process Clause should not be construed as a bar to the fixing of noncompensatory rates for carrying some commodities when the public interest is thereby served. (P. 150.)

Mr. Justice Douglas, with whom the Chief Justice concurred, filed a dissenting opinion.

Atlantic Coast Line Railroad Co. v. South Carolina, Ex Rel. Public Service Commission of South Carolina, et al., 345 U. S. 916.

On March 16, 1953, the Supreme Court denied petition for writ of certiorari in this case, involving the construction of a new Union Station in Charleston, which had been destroyed by fire, and the restoration of the passenger service formerly accorded at that station. At the request of the Court we filed a brief in this case expressing our views as to the correctness of the decision of the lower court.

Callanan Road Improvement Co. v. United States, 345 U. S. 507.

In this case the Supreme Court on May 4, 1953, sustained our report and order of October 18, 1951, in Docket No. W-103, *Joseph R. Hutton Contract Carrier Application*, 285 I. C. C. 75 (petition for reconsideration denied by us on March 17, 1952), finding that plaintiff was engaged in the performance of towage service without appropriate authority, and also finding that rates, charges, and allowances made by it to shippers for the use of their own scows in the performance of towage, were unlawful and should be canceled. (A three-judge district court for the Northern District of New York had held against appellant, 107 F. Supp. 184.)

The conclusion of the Court was that the appellant which in 1947 secured an operating certificate formerly issued to Joseph R. Hutton, which purchase was approved by us, had no standing to challenge the validity of an earlier order issued by us in 1944 limiting the scope of operations authorized by such certificate. The Court said that

"The appellant now will not be heard to say it is entitled to receive more than its transferor had or the certificate transferred gave."

The opinion was by Mr. Justice Minton. Mr. Justice Black concurred in the result and Mr. Justice Douglas dissented without writing any views thereon.

On June 8, 1953, the Supreme Court denied petition for rehearing, 345 U. S. 978.

Wales, dba Wales Trucking Co. v. United States, 345 U. S. 954.

On May 18, 1953, the Supreme Court, in a *per curiam* opinion, granted our motion to affirm the decision of the three-judge court for the Northern District of Texas, in *Wales v. United States* (108 F. Supp. 928), which involved our order of June 11, 1951, in Docket No. MC-1554 (Sub-No. 7), *E. L. Farmer & Co. Extension—Western States*, (petition for reconsideration denied by us on May 7, 1952), 53 M. C. C. 802.

The Court, in its *per curiam* order cited *United States v. Tucker Truck Lines*, 344 U. S. 33, and *United States v. Detroit Navigation Co.*, 326 U. S. 236, 241, and upheld the certificates authorizing applicants to transport oilfield and pipeline machinery, equipment, materials, and supplies between points in Texas, on the one hand, and, on the other, specified points in the Rocky Mountain States.

New York, New Haven & Hartford R. Co. v. Nothnagle, 346 U. S. 128.

On June 8, 1953, the Supreme Court affirmed the decision of the Supreme Court of Errors of the State of Connecticut, holding that the mere fact that a tariff was on file with the Interstate Commerce Commission limiting a carrier's liability for loss of baggage unless a higher value carrying a higher rate was declared in writing, was not binding on the passenger unless actual notice thereof was afforded the passenger and a choice made known. In short, the Court held that the carrier must do something more to notify the passenger of the limitation of liability beyond filing a tariff with us. At the request of the Court we filed a brief in this case. The conclusions urged by us were adopted by the Court.

The Supreme Court held:

1. The destination intended by the passenger when the journey commenced determines the character of the commerce and the fact that the trip was in isolated segments was not decisive.

2. The journey being in interstate commerce, the Interstate Commerce Act controls to whatever extent its provisions apply.

3. A carrier may not lawfully limit recovery to an amount less than the actual amount of loss sustained, except by granting to its customers a fair opportunity to choose between the higher or lower liability by paying a correspondingly greater or lesser charge.

4. Finally, to bind Mrs. Nothnagle by a limitation which she had no reasonable opportunity to discover would effectively deprive her of a choice; such an arrangement would amount to a forbidden attempt to exonerate a carrier from the consequences of its own negligent acts.

The opinion was by Mr. Justice Clark; there were no dissents, except that Mr. Justice Jackson did not participate therein.

Dart Transit Co. v. United States, 345 U. S. 980.

On June 15, 1953, the Supreme Court, in a *per curiam* opinion, granted our motion to affirm the decision of the three-judge court for the District of Minnesota (110 F. Supp. 876), upholding our cease and desist order entered May 26, 1952, in Docket No. MC-C-1185, *Dart Transit Co.—Investigation of Operations*, 54 M. C. C. 429. In that proceeding we had found that Dart Transit Company, a contract carrier for packinghouses, canneries, and dairy products concerns, was transporting commodities beyond the scope of its authority.

Justices Black and Douglas were of the opinion that oral argument should be had.

Houston Fire & Casualty Ins. Co. v. United States, 346 U. S. 803.

In this case the Supreme Court on October 12, 1953, affirmed the decision of the lower court, dated February 11, 1953, 115 F. Supp. 579, which sustained Division 5's order, dated June 5, 1952 (affirmed by the entire Commission on October 6, 1952), wherein we declined to further accept certificates of insurance from complainant, as security for the protection of the public, when filed in behalf of motor carriers under section 215 of the Interstate Commerce Act, unless and until financial statement of Inland Investment Company, and satisfactory explanations of certain financial transactions are received from their management.

Other decisions of interest to us in connection with our work were:

Tisneros v. Chicago & North Western Ry. Co., 344 U. S. 885.

On November 17, 1952, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the Seventh Circuit (197 F. (2d) 466), wherein the lower court held that a roundhouse employee cannot recover under the Boiler Inspection Act for injuries sustained when he slipped on icy steps of a locomotive after it had ended its run and had been placed in the roundhouse for attention to its fires, since at the time of the accident the locomotive was not being "used on [carrier's] line" within the purview of the act.

Denver & Rio Grande Western R. Co. v. McGowan, 344 U. S. 918.

On January 12, 1953, the Supreme Court denied petition for writ of certiorari to review a ruling of the Utah Supreme Court, 224 P.

(2d) 628, holding that a switchman's testimony in a suit under the Federal Employer's Liability Act that in his opinion a slowly moving coal car and standing box car would not have coupled automatically upon impact had he not pushed the drawbar with his foot, was sufficient to warrant submission to the jury of the question as to the railroad's violation of the Safety Appliance Act even though the cars then coupled on impact, crushing his toe between couplers.

United States v. Chicago, Burlington & Quincy R. Co., 345 U. S. 908.

On March 9, 1953, the Supreme Court denied petition for writ of certiorari in this case, in which the Court of Appeals for the Seventh Circuit (199 F. (2d) 223) held that the railroad's transportation of 23 cars which had been assembled at its freight house yard, and moved as a unit at eight to ten miles per hour for two miles, over lead track located within single switching yard to point where they were coupled onto outgoing trains, constituted switching operations to which Federal Safety Appliance Act does not apply.

Seatrain Lines, Inc. v. Pennsylvania R. Co., 345 U. S. 916.

On March 16, 1953, the Supreme Court denied petition for writ of certiorari in this case, which was decided by the United States District Court for the District of New Jersey on October 23, 1952 (108 F. Supp. 113). This was a suit to enjoin alleged conspiracy of railroads in restraint of trade to deny to Seatrain interchange and use of freight cars, and to recover treble damages. The District Court dismissed a motion for preliminary injunction, holding that the terms and conditions under which the railroads should be required to interchange cars with water carriers was a matter for our consideration, and not for the courts in the first instance. In this connection the lower court referred to a complaint filed with us on March 26, 1952, in *Alabama Great Southern R. Co. v. Seatrain Lines, Inc.*, Docket No. 31014, and wherein the lower court said:

There would appear to be no reason why the allegations of Seatrain, as set forth in the complaint in this suit, may not be projected before the Commission in the course of its hearing and investigation of the above petition pending before it.

Fry Roofing Co. v. Wood, 344 U. S. 157.

On December 8, 1952, the Supreme Court in this case held that the Arkansas Public Service Commission can require that Arkansas contract-carrier permits be obtained by driver-owners leasing trucks to manufacturers who employ original lessors for delivery of products in such trucks from manufacturer's Tennessee plant to his customers in Arkansas; mere requirement for permit does not constitute undue burden on interstate commerce.

On March 9, 1953, the Supreme Court denied petition for rehearing, 345 U. S. 913.

Laughlin v. Loftin, 346 U. S. 813.

On October 12, 1953, the Supreme Court denied certiorari declining to review a decision of the Supreme Court of Florida, reported in 62 S. (2d) 745. The lower court held that evidence that water in locomotive boiler went below danger point and caused explosion injuring engineer after water gage on boiler allegedly gave false readings because of leak in steampipe connection, was insufficient to show violation of the Safety Appliance Act.

Netzer v. Northern Pacific Ry. Co., 346 U. S. 831.

On October 12, 1953, the Supreme Court denied certiorari, declining to review a decision of the Supreme Court of Minnesota, reported in 57 N. W. (2d) 247, holding that the provision of the Safety Appliance Act making it unlawful for a railroad to use on its line any car not equipped with efficient hand brakes, is not applicable to car removed from train and placed on repair track for specific purpose of having repairs made thereto even though defective car was loaded with merchandise and consigned.

Thompson v. American Abrasive Metals Co., 346 U. S. 816.

On October 12, 1953, the Supreme Court denied writ of certiorari seeking review of a decision of the Court of Civil Appeals of Texas, 253 S. W. (2d) 83, holding that a shipper of less-than-carload lot through a freight forwarder can, under part IV of the Interstate Commerce Act, recover directly from underlying rail carrier damaging merchandise while same is part of carload shipment made up of several individual less-than-carload shipments and covered by single bill of lading issued in favor of forwarder, as shipper, and designating forwarder as both consignor and consignee, the Court also holding that this shipper's status is that of undisclosed principal to such bill of lading.

Chicago, Milwaukee, St. Paul & Pacific R. Co. v. Board of Railroad Commrs. of State of Montana, 346 U. S. 823.

On October 12, 1953, the Supreme Court denied certiorari to review a decision of the Supreme Court of Montana, 255 P. (2d) 346, holding that the Board's order denying interstate railroad's application to discontinue two passenger trains which had been operated at loss on branch line wholly within Montana was within the Board's authority and the order was supported by evidence that public convenience and necessity required continued operation of such trains; further the requirement that particular service be rendered by railroad at loss does not make service confiscatory and thereby unconstitutional taking of property.

Chesapeake & Ohio Ry. Co. v. Van Lierop, 346 U. S. 834.

By denying certiorari on October 12, 1953, the Supreme Court declined to review a decision of the Supreme Court of Michigan,

reported in 335 Mich. 702, 57 N. W. (2d) 431, holding that "Carriers' Protective Service" against cold, included duty to give ventilation service in heater territory, to prevent overheating of perishable railroad shipment of gladioli bulbs even though tariff definition of "Carriers' Protective Service" does not mention ventilation; further that the evidence was sufficient to warrant submission to jury of question whether bulbs were damaged by lack of ventilation in transit.

Fort Dodge, Des Moines & Southern R. Co. v. Gillespie, 346 U. S. 827.

In this case the Supreme Court on October 12, 1953, denied certiorari, seeking review of a decision of the Court of Appeals for the Eighth Circuit, (203 F. (2d) 119), holding that railroad bondholder's enforcement of right under reorganization plan to exchange his bonds for securities and cash is not precluded by reorganization court's bar order served only by publication, even though reorganization committee had previously sent bondholder letter which was returned because bondholder was "not at address given."

Atlantic Freight Lines, Inc. v. Summerfield, 346 U. S. 828.

The Supreme Court denied petition for writ of certiorari on October 12, 1953, seeking review of a decision of the Court of Appeals for the District of Columbia, reported in 204 F. (2d) 64, holding that a motor carrier has no standing to maintain an action for an injunction restraining the Postmaster General from issuing a postage stamp commemorating the 125th anniversary of a competing railroad's incorporation.

Strickland Transportation Co., Inc. v. United States, 346 U. S. 856.

In this case the Supreme Court, on October 19, 1953, denied petition for writ of certiorari to review a decision of the Court of Appeals for the Fifth Circuit, reported in 204 F. (2d) 325, holding that internal-combustion engines shipped by the United States and billed as such, although designed for ultimate use in airplanes, fall within the tariff of a motor carrier embracing internal-combustion engines, and not within higher tariff for "aircraft parts."

New York, New Haven & Hartford R. Co. v. Leary, 346 U. S. 856.

On October 19, 1953, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the First Circuit, reported in 204 F. (2d) 461, holding that a railroad conductor injured while repairing a defective airbrake hose need not show railroad's negligence in order to submit to jury Federal Employers' Liability Act suit based on a violation of the Safety Appliance Act, but need only show existence of defective airbrake.

SECTION OF LAW AND ENFORCEMENT—MOTOR CARRIERS

The Section of Law and Enforcement was transferred from the Bureau of Motor Carriers to the Bureau of Law effective June 1, 1952. The duties of this section are to provide general legal services

to the Commission and its staff in the regulation of transportation of motor carriers in interstate and foreign commerce.

The status of investigations and litigation handled by this section during the year is as follows:

Investigations with the view to enforcement action

Pending Nov. 1, 1952.....	529
Added Nov. 1, 1952 to Oct. 31, 1953.....	527
Total requiring attention.....	1,056
Closed.....	516
Pending Oct. 31, 1953.....	540
Total.....	1,056

Classification, according to types of violations involved in investigations added during the year. Each unit represents one or a number of violations of the same type by the same person.

Operating without authority.....	230
Nonobservance of rates and charges on file.....	32
Unification without authority.....	8
Nonobservance of safety regulations.....	223
Insurance requirements.....	18
Accounting requirements.....	75
Miscellaneous.....	45
Total.....	631

Court cases	Civil	Criminal	Total
Awaiting institution Nov. 1, 1952.....	5	94	99
Pending in court Nov. 1, 1952.....	45	111	156
Total cases then on hand.....	50	205	255
Cases authorized during year Nov. 1, 1952 to Oct. 31, 1953.....	48	291	339
Total cases requiring attention during year.....	98	496	594
Cases concluded during year Nov. 1, 1952 to Oct. 31, 1953.....	50	335	385
Cases abandoned during year Nov. 1, 1952 to Oct. 31, 1953.....	2	12	14
Total cases disposed of.....	52	347	399
Awaiting institution Oct. 31, 1953.....	13	44	57
Pending in court.....	33	105	138
Total cases on hand Oct. 31, 1953.....	46	149	195

Of the 335 criminal cases concluded, 320 resulted in the imposition of fines totaling \$209,595; 4 resulted in acquittal; and the United States attorneys moved for dismissal of 11 cases for various reasons. Of the 50 civil cases concluded, 26 involved forfeiture proceedings, which resulted in forfeitures imposed amounting to \$11,738.50. The

remaining civil cases were actions brought to enjoin violations, appropriate decrees being entered against the defendant in 20 cases, a decree was entered for the defendant in 2 cases, and 2 cases were dismissed at the request of the Commission. Of the total fines and forfeitures amounting to \$221,333.50 imposed, \$199,613.50 was required to be paid.

Classification by types of offenses charged in court proceedings concluded November 1, 1952, to October 31, 1953. Each unit represents one or more violations, of the type indicated, charged in a proceeding against a defendant or joint defendants, including aiders or abettors:

Operating without authority.....	160
Operating without insurance filed.....	13
Operating without rates filed.....	7
Failing to observe lawful rates.....	1
Violating c. o. d. regulations.....	10
Permitting excess on duty hours.....	17
Permitting excess driving hours.....	25
No doctors' certificates for drivers.....	47
Failing to require drivers to keep logs.....	40
Failing to require drivers to keep proper logs.....	25
Aiding and abetting driver to falsify logs.....	4
Drivers failing to keep logs.....	5
Drivers failing to keep proper logs.....	63
Drivers falsifying logs.....	2
Improper driving practices.....	1
Using unqualified drivers.....	5
Using defective equipment.....	5
Failing to properly equip vehicles.....	10
Failing to properly identify vehicles.....	4
Failing to require drivers to report defects in vehicles.....	9
Failing to maintain inspection record for vehicles.....	5
Failing to submit records for inspection.....	1
Unlawful interchange of vehicles.....	1
Failing to file (or filing false) accident reports.....	14
Failing to file (or filing false) hours of service reports.....	17
Unlawful extension of credit.....	6
Seeking to evade regulation by fictitious leases.....	3
Seeking to evade regulation by use of false B/L.....	2
Failing to file accounting reports.....	29
Improper accounting reports and records.....	1
Failing to issue, preserve, or improper B/L, F/B, or receipts.....	7
Transporting unauthorized passengers.....	2
Aiding and abetting unauthorized carriers.....	4
Unauthorized control of carriers.....	2
Violating explosives regulations.....	64

Administrative proceedings before the Commission

Pending Nov. 1, 1952-----	70
Added Nov. 1, 1952 to Oct. 31, 1953-----	84
Total requiring attention-----	154
Closed-----	50
Pending Oct. 31, 1953-----	104
Total-----	154

The participation of the Bureau in the above proceedings was for the purpose of presenting evidence and developing the issues with respect to such matters as the fitness of applicants to secure new operating authority or to acquire such authority from others; complaints alleging operations or practices in violation of the act; investigations to determine the necessity for new rules and regulations or for changes in or additions to existing ones; investigations to determine the existence of unlawful control of carriers and matters relating to the revocation of certificates or permits. In many of these proceedings the issues were quite complex and the testimony voluminous.

An important part of the work of this section is to prepare opinions on questions arising under part II of the act. During the year, there were handled 916 written requests for advice and opinions relating to legal questions, both from within the Commission and from the public. In addition to requests for interpretations, possible redress in informal complaints, the proper compliance with Commission regulations, necessity for operating authority, et cetera, considerable work was done in reviewing the content of regulations and general orders, prior to their release, for compliance with statutory limitations. Comments and recommendations were prepared on proposed amendments to the Interstate Commerce Act and on other bills during the year.

The briefing unit, whose duties were described in our report for 1944, prepared a total of 138 research memoranda and briefs during the year.

BUREAU OF LOCOMOTIVE INSPECTION

The work of this Bureau is shown in detail in the report of the Director, published separately. The report here made is for the fiscal year ended June 30, 1953.

The following tables covering the fiscal years indicated are self-explanatory.

TABLE I.—*Reports and inspections—Steam locomotives*

	Year ended June 30—					
	1953	1952	1951	1950	1949	1948
Number of locomotives for which reports were filed.....	15,798	20,490	26,595	29,743	33,866	37,073
Number inspected.....	28,899	45,220	62,113	66,809	85,353	93,917
Number found defective.....	3,583	6,234	7,995	6,740	7,035	9,417
Percentage of inspected found defective.....	12.4	13.8	12.9	10.1	8.2	10.0
Number ordered out of service.....	163	370	508	399	436	654
Number of defects found.....	12,980	24,738	34,657	28,504	28,642	38,855

TABLE II.—*Accidents and casualties caused by failure of some part of the steam locomotive, including boiler, or tender*

	Year ended June 30—					
	1953	1952	1951	1950	1949	1948
Number of accidents.....	59	122	167	169	228	341
Percent increase or decrease from previous year.....	51.6	26.9	1.2	25.9	33.1	5.3
Number of persons killed.....	12	3	14	7	10	15
Percent increase or decrease from previous year.....	1300.0	78.6	100.0	30.0	33.3	6.3
Number of persons injured.....	62	126	170	184	243	361
Percent increase or decrease from previous year.....	50.8	25.9	7.6	24.3	32.7	22.2

¹ Increase.TABLE III.—*Accidents and casualties caused by failure of some part or appurtenance of the steam locomotive boiler*¹

	Year ended June 30—							
	1953	1952	1951	1950	1949	1948	1915	1912
Number of accidents.....	18	35	51	59	81	104	424	856
Number of persons killed.....	10	2	3	4	9	14	13	91
Number of persons injured.....	19	36	59	70	94	108	467	1,005

¹ The original act applied only to the locomotive boiler.TABLE IV.—*Reports and inspections—Locomotive units other than steam*

	Year ended June 30—					
	1953	1952	1951	1950	1949	1948
Number of locomotive units for which reports were filed.....	25,374	22,716	19,320	15,719	12,692	9,803
Number inspected.....	75,170	65,263	52,948	42,503	30,684	20,798
Number found defective.....	6,571	6,087	4,375	2,748	1,238	853
Percentage of inspected found defective.....	8.7	9.3	8.3	6.5	4.0	4.1
Number ordered out of service.....	118	135	106	42	20	21
Number of defects found.....	17,163	16,613	11,935	6,325	2,804	1,745

TABLE V.—*Accidents and casualties caused by failure of some part or appurtenance of locomotive units other than steam*

	Year ended June 30—					
	1953	1952	1951	1950	1949	1948
Number of accidents.....	75	74	54	51	49	41
Number of persons killed.....		1	2	3		
Number of persons injured.....	88	77	129	50	67	50

INVESTIGATION OF ACCIDENTS AND GENERAL CONDITION OF LOCOMOTIVES

All accidents reported to the Bureau as required by the law and rules were carefully investigated and appropriate action taken to prevent recurrence as far as possible. Copies of published reports of accident investigations were distributed to interested parties and otherwise used in our effort to bring about a diminution in the number of such accidents.

STEAM LOCOMOTIVES

Fifty-nine accidents occurred in connection with steam locomotives resulting in 12 deaths and 62 injuries. This represents a decrease of 63 accidents; an increase of 9 in the number of persons killed, and a decrease of 64 in the number of persons injured compared with the preceding fiscal year.

During the year 12.4 percent of the steam locomotives inspected by our inspectors were found with defects or errors in inspection that should have been corrected before the locomotives were put into use; this is a decrease of 1.4 percent from the results of the preceding fiscal year. One hundred and sixty-three locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe; this is a decrease of 207 locomotives compared with the preceding fiscal year. Locomotives found defective were not ordered out of service if such defects did not render them unsafe for the service to which they were put.

EXPLOSIONS AND OTHER BOILER ACCIDENTS

Four boiler explosions occurred in the fiscal year. Ten persons were killed and 2 were injured in these accidents. The number of boiler explosions was the same as in the preceding fiscal year; there was an increase of 9 fatalities and a decrease of 4 in number of injuries compared with the preceding fiscal year.

Three of the explosions occurred on locomotives in freight-train service and one on a locomotive used in switching service. All explosions were caused by overheated crown sheets due to low water.

One locomotive used in freight service was equipped with a low-water alarm in which a fusible metal element was designed to function in case of low water and cause a warning whistle to blow. Examination of the boiler subsequent to the accident disclosed that the fusible metal was missing, indicating that the alarm had functioned, and that the water level at time of the explosion as shown by sheet discoloration was approximately $5\frac{1}{2}$ inches below the highest part of the crown sheet.

Examination of a second locomotive after the accident disclosed that a leak at the top of an eroded water glass resulted in maintenance of a visible water level that was materially higher than the actual water level in the boiler. No defects were found on the remaining two locomotives which would have contributed to the accidents.

Fourteen boiler and appurtenance accidents other than explosions resulted in injuries to 17 persons. There was a decrease of 17 accidents, a decrease of 1 in number of persons killed and a decrease of 13 in number of persons injured as compared with the preceding fiscal year.

EXTENSION OF TIME FOR REMOVAL OF FLUES

Six hundred and thirty-two applications were filed for extension of time for removal of flues, as provided in rule 10. Our investigations disclosed that in 47 of these cases the condition of the locomotives or other circumstances were such that extensions could not properly be granted. Two were in such condition that the full extensions requested could not be authorized, but extensions for shorter periods of time were allowed. Seventeen extensions were granted after defects disclosed by our investigations were required to be repaired. Forty-one applications were canceled for various reasons. Five hundred and twenty-five applications were granted for the full period requested.

LOCOMOTIVE UNITS PROPELLED BY POWER OTHER THAN STEAM

Seventy-five accidents, resulting in injuries to 88 persons occurred in connection with locomotive units propelled by power other than steam. This represents an increase of 1 in the number of accidents, a decrease of 1 in the number of persons killed and an increase of 11 in the number of persons injured compared with the preceding fiscal year.

During the year 8.7 percent of the locomotive units inspected by our inspectors were found with defects or errors in inspection that should have been corrected before the units were put into use; this represents a decrease of 0.6 percent compared with the results obtained in the preceding fiscal year. One hundred and eighteen loco-

motive units were ordered withheld from service by our inspectors because of the presence of defects that rendered the units immediately unsafe; this represents a decrease of 17 units compared with the preceding fiscal year. Locomotive units found defective were not ordered out of service if such defects did not render them unsafe for the service to which they were put.

SPECIFICATION CARDS AND ALTERATION REPORTS

Under rule 54 of the Rules and Instructions for Inspection and Testing of Steam Locomotives, 48 specification cards and 1,879 alteration reports were filed, checked, and analyzed. These reports are necessary in order to determine whether or not the boilers represented were so constructed or repaired as to render safe and proper service and whether the stresses were within the allowed limits. Corrective measures were taken with respect to numerous discrepancies found.

Under rules 328 and 329 of the Rules and Instructions for Inspection and Testing of Locomotives Other Than Steam, 2,880 specifications and 805 alteration reports were filed for locomotive units, and 678 specifications and 294 alteration reports were filed for boilers mounted on locomotive units other than steam. These were checked and analyzed and corrective measures taken with respect to discrepancies found.

APPEALS

During the fiscal year no formal appeal by any carrier was taken from the decisions of any inspector.

BUREAU OF MOTOR CARRIERS

Two difficult problems with which we are faced in connection with regulation of motor carriers are (1) the line of demarcation between contract carriers and common carriers and (2) the line of demarcation between regular-route and irregular-route carriers. Experience indicates that many carriers who now hold authority as contract carriers are more properly to be classified as common carriers by reason of the nature of their present operations and that many carriers now holding authority as irregular-route carriers have gradually changed their operations to those of regular-route carriers, often without awareness or deliberate intention on the part of the carrier. The difficult question to be determined in each type of operation is when such conversion of operations has taken place and whether and under what conditions we should authorize a change in the operating authority held; also the means by which the expansion or evolution of the operations from

contract to common or from irregular to regular route can be controlled. Both problems have been the subject of study by us and by carrier committees representing different phases of the industry, and it appears that legislation may be necessary. We shall recommend such legislation when experience and study give some assurance that effective proposals can be made.⁷

By order of October 1, 1953, effective November 16, 1953, a Motor Carrier Board composed of employee members was created under section 17 (2) with authority to act initially on requests by applicants to dismiss applications under specified sections of the act in proceedings which have not involved the taking of testimony at public hearing; on applications under section 210a (a) for temporary authority for service by common or contract carriers by motor vehicle; in uncontested motor-carrier revocation proceedings under section 212 (a) which have not involved the taking of testimony at a public hearing; and on applications under section 212 (b) relating to transfer of certificates or permits which have not involved the taking of testimony at a public hearing. We feel that this action will facilitate disposition of motor carrier cases by relieving us of much detail work.

The decision in Ex Parte MC-45, *Descriptions in Motor Carrier Certificates*, 61 M. C. C. 209, represents another effort on our part to facilitate action in matters dealing with motor carriers by providing, by the establishment of commodity lists under class or generic headings specifying the commodities to be transported thereunder and to be used in describing the commodity scope of certificates to be issued in the future to common carriers, a guide to the carriers and our employees in the preparation and filing of applications; in the interpretation of class designations and other terms used in certificates issued in accordance therewith; and in the publication and filing of rates under such certificates. Many motor carriers, motor carrier associations, shippers, shipper organizations, rail carriers, and others participated in this proceeding and gave us the benefit of their experiences.

During the year, the three largest motorbus systems in the country were reduced to two nationwide competitive operations when American Buslines, Inc., and its affiliated companies were absorbed by Transcontinental Bus System, Inc., under authority granted by us May 7, 1953. That system and the Greyhound system have both continued to grow through acquisitions of other carriers.

⁷ See also chapters on "Motor Contract Carriers," and "Joint Boards." This statement may require adjustment depending on what action is taken by the Commission on the legislative recommendations.

In proceedings involving the acquisition of control or unification of the operations of motortruck carriers, there has been a growing tendency by competing motor carriers, as well as rail carriers, to intervene, in opposition, with the result that the length of the hearings in such cases has been increasing. The number of finance applications which have been denied because it has not been possible, on the records, to make the statutory findings necessary for approval has been increasing.

During the latter part of 1952 and early in 1953 the motor common carriers operating in interstate or foreign commerce effected further increases in their rates and charges. Within the South and between the South and trunkline, New England, middlewest, and southwestern territories, between central territory and trunkline territory and New England, within middlewest and between that territory and central and southwestern territories, and in mountain-Pacific territory, the increases in motor-carrier rates have, generally, followed the railroad pattern of rate increases. The present rates in these territories are approximately 15 percent higher than the rates in effect early in 1952. Within New England the motor common carriers' rates were increased 4 percent, plus 3 cents, 2 cents, or 1 cent per 100 pounds, the greater increases applying on the smaller shipments. Within trunkline or middle-Atlantic territory and between that territory and New England the rates were increased 7 percent, except within so-called New York short-haul territory where the increase was 10 percent.

When these increased rates were proposed by the carriers protests were filed by shipper interests but in no instance did we suspend the proposed rates. The reasonableness of certain of the increases, however, is under investigation in No. MC-C-1471, *General Increases—1953—Central and East*, No. MC-C-1480, *Middle Atlantic Increases—February, 1953*, No. MC-C-1485, *Increased Rates—Pacific Northwest—1953*, and No. MC-C-1521, *General Increases—Mountain States—Coast*.

The program instituted following the outbreak of hostilities in Korea whereby carriers were permitted to amortize new terminal facilities on an accelerated basis was continued into this year. As a result of this incentive a substantial number of new terminal and shop facilities were constructed, which has done much to relieve freight traffic congestion at many of the important traffic centers throughout the country. With the lifting of controls on materials,

the manufacturers have been able to meet all the needs of the highway transport industry with respect to new equipment and supplies.

SECTION OF CERTIFICATES

This section receives and prepares for handling by the Section of Complaints all applications for permanent operating authority and for authority under section 5 to purchase, merge, consolidate, lease, or control operating rights and properties of motor carriers, and petitions filed in connection with such matters; receives and handles all applications for temporary operating authority under section 210a (a) and applications for transfer or lease under section 212 (b), and petitions filed in connection with those matters; performs the administrative work necessary in issuing certificates, permits, and broker's licenses to conform to the authority granted by us; prepares for our approval draft of notices and orders in motor-carrier cases; and conducts correspondence with other Commission sections or bureaus and with the public.

Following is a summary of the status of the various applications handled by this section:

Applications filed since enactment of part II of the Interstate Commerce Act

	Cumulative to Oct. 31, 1952	Received Nov. 1, 1952 to Oct. 31, 1953	Cumulative to Oct. 31, 1953
"Grandfather" applications filed on and prior to Feb. 12, 1936.....	82,777	0	82,777
"Grandfather" applications filed after Feb. 12, 1936.....	6,797	1	6,798
Applications for authority to institute new operations.....	44,297	2,322	46,619
Applications for authority to conduct broker operations.....	1,544	18	1,562
Statements under second proviso of section 206 (a).....	8,173	497	8,670
Applications for temporary authority under section 210a (a).....	41,540	1,952	43,492
Applications for exemption of one State operations under section 204a (4a).....	136	3	139
Extension of temporary authorities under section 3 (b), (5 U. S. C. 1008 (b)).....	13,970	364	14,334
Applications for transfer or lease of operating rights under section 212 (b).....	29,674	1,251	30,925
Applications for transfer or lease of operating rights, or for acquisition of control under section 5.....	5,351	240	5,591
Applications for temporary authority under section 210a (b).....	1,612	74	1,686
"Grandfather" applications filed under sections 206 and 209, as amended by Public Law 748, Sept. 1, 1950.....	155	4	159
Total applications received.....	236,026	6,726	242,752
Applications granted ¹	110,824	4,179	115,003
Applications dismissed, withdrawn or denied.....	121,576	2,501	124,077
Applications pending.....	3,626	² +46	3,672
Total.....	236,026	6,726	242,752

¹ Certificate, permit, license, or other authority issued.

² Net difference between applications received and applications actually handled.

680 certificates, permits and licenses revoked Nov. 1, 1952, to Oct. 31, 1953.

The following statement indicates the number of motor carriers and brokers whose operations are subject to regulation under part II of the act. Motor carriers operating exclusively under temporary authority granted under section 210a (a) are not included.

Motor carriers	Cumulative to Oct. 31, 1952	Nov. 1, 1952 to Oct. 31, 1953	Cumulative to Oct. 31, 1953
<i>Property carriers</i>			
Common—issued certificates under sections 206 or 207.....	14, 221	-456	13, 765
Common—under second proviso of section 206 (a).....	2, 414	+51	2, 465
Contract—issued permits under section 209.....	2, 779	-31	2, 748
"Grandfather"—no final authority issued.....	2	0	2
"Late Grandfather"—no final authority issued.....	1	+1	2
Total property carriers.....	19, 417	-435	18, 982
<i>Passenger carriers</i>			
Common—issued certificates under sections 206 or 207.....	1, 388	-53	1, 335
Common—under second proviso of section 206 (a).....	147	-8	139
Contract—issued permits under section 209.....	17	0	17
Total passenger carriers.....	1, 552	-61	1, 491
Total motor carriers.....	20, 969	¹ -496	20, 473
<i>Brokers issued licenses under section 211 of the act.</i>			
Property.....	85	+1	86
Passenger.....	98	+16	114
Total brokers.....	183	+17	200

¹ Net difference between number of carriers at the beginning and end of the reporting period.

SECTION OF COMPLAINTS

The following table indicates the condition of the docket of the Section of Complaints for the 12-month period ended October 31, 1953 (corresponding data for the year ended October 31, 1952, are also given):

	Oct. 31, 1952	Oct. 31, 1953
Applications for common-carrier certificates, contract-carrier permits, brokers' licenses, and certificates of exemption:		
Received for handling.....	2, 330	2, 530
Reopened.....	166	171
Hearings.....	1, 647	1, 724
Under submission at end of period.....	287	429
Disposed of, including reopened proceedings:		
Recalled by Section of Certificates for handling.....	104	162
Dismissed.....	470	513
By effective recommended order.....	1, 237	877
By report of the Commission or a division of the Commission.....	980	624
Pending at end of period.....	2, 102	2, 627
Petitions disposed of.....	811	660
Complaints and investigations relating to motor carriers' rates, rules, and practices and investigation and suspension proceedings:		
Formal complaints filed, including subnumbers.....	48	45
Investigations instituted.....	18	33
Investigation and suspension proceedings instituted.....	578	857
Reopened.....	2	11
Hearings.....	20	121
Under submission at end of period.....	45	54
Disposed of, including subnumbers and reopened proceedings:		
Dismissed or discontinued.....	442	540
By effective recommended order.....	161	100
By report of the Commission or a division of the Commission.....	195	64
Pending at end of period.....	403	645
Petitions disposed of.....	168	155

	Oct. 31, 1952	Oct. 31, 1953
Finance applications under section 5 of the act:		
Received for handling.....	298	242
Reopened.....	37	22
Hearings.....	228	213
Under submission at end of period.....	75	69
Disposed of, including reopened proceedings:		
Dismissed.....	28	32
By report of the Commission or a division of the Commission.....	268	225
Pending at end of period.....	239	246
Petitions disposed of.....	257	233
Temporary authority applications under section 210a (b) disposed of.....	104	86
Proceedings to determine whether holders of certificates, permits, and licenses are complying with the terms of the act, the Commission's orders, rules and regulations and the terms of their operating authorities:		
Formal complaints filed including subnumbers.....	28	21
Investigations instituted.....	20	42
Reopened.....	10	8
Hearings.....	39	37
Under submission at end of period.....	15	13
Disposed of, including subnumbers and reopened proceedings:		
Dismissed or discontinued.....	21	15
By effective recommended order.....	29	21
By report of the Commission or a division of the Commission.....	23	18
Pending at end of period.....	59	76
Petitions disposed of.....	72	35

SECTION OF INSURANCE

No changes were made during the past year in our rules and regulations under sections 211 (c), 215, and 403 (c) and (d) of the act governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, and other securities and agreements by transportation brokers, motor carriers, and freight forwarders as security for the protection of the public. A public hearing as to the need or desirability of increasing the prescribed limits was held on May 4, 1953, and the Section of Insurance was assigned the duty of obtaining factual information in regard to the matter and presenting it for the record at the hearing. The section is in the process of assembling data as to whether the endorsement presently required by the Commission on bodily injuries and property damage policies of insurance is adequate to make an insurer liable for damages resulting from accidents attributable to negligence in loading and unloading the cargo or in performing some similar act not directly connected with the actual movement of the motor vehicle.

During the year the section received, examined for approval, and filed 45,199 certificates of insurance; 1,215 surety bonds; 7,880 notices of cancellation of previously filed certificates of insurance and surety bonds; and 909 notices rescinding previously filed notices of cancellation or notices reinstating previously canceled surety bonds and certificates of insurance. In addition, 5 applications for approval of qualifications as a self-insurer were received and analyzed, and reported to us with definite recommendations for approval or disapproval, and the section requested, received, and analyzed 196 financial statements from motor carriers previously found by us to be qualified as self-insurers and thereby exempted from the necessity

of providing surety bonds or policies of insurance as security for the protection of the public.

Under section 211 (c) of the act, all brokers of transportation licensed by us are required to provide surety bonds to insure financial responsibility and the supplying of authorized transportation in accordance with contracts, agreements, or arrangements therefor. There are now on file with us 203 surety bonds executed by and on behalf of brokers of transportation.

All motor carriers of passengers or property operating under part II of the act, and all freight forwarders operating under part IV of the act who hold themselves out to perform or to arrange for the performance of collection, delivery, or transfer services for shippers within terminal areas, are required to provide security for the protection of the public in the form of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements, covering their bodily injury liability and property damage liability resulting from negligence in the operation, maintenance, or use of motor vehicles. Such security for the protection of the public is now being provided by some 20,473 motor carriers and 93 freight forwarders. In addition, all motor common carriers of property, except those transporting certain low-value commodities exclusively, and all freight forwarders, are required to provide surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements covering their legal liability to compensate shippers and consignees for loss of or damage to their property. There are now some 16,230 motor common carriers of property and 100 freight forwarders furnishing this security for the protection of the shipping public.

The Section of Insurance is charged with the duty of keeping us currently informed as to the financial condition, stability, and reliability of the insurance companies providing the security for the public on behalf of motor carriers and freight forwarders, so that we can determine whether or not the public will be adequately protected under the policies of insurance we approve. With respect to surety companies, we rely upon the approval of the companies by the United States Treasury Department under the so-called Corporate Surety Act. During the year the section reviewed and studied published reports in respect of the financial condition and stability of 137 insurance companies, of which 99 were requested to file, and did file, complete financial statements with us, all of which were analyzed and interpreted in the Section of Insurance.

SECTION OF SAFETY

The Section of Safety prepared for publication five reports of investigations of serious accidents, an analysis of mechanical defect accidents reported in 1951, and an analysis of fire and explosion accidents reported in 1951.

Investigation and study were directed to questions raised by petitions seeking modification of the Motor Carrier Safety Regulations. Recommendations were made preliminary to entry of 14 orders by us in Ex Parte No. MC-40.

Special reviews of accident records and safety compliance of individual motor carriers seeking new or additional authority to transport explosives were made in connection with 345 permanent authority applications. In the case of 36 carriers, involving 86 applications, recommendations were made that the Bureau of Motor Carriers intervene and that evidence with respect to the safety record of the applicants be introduced by the Bureau of Law. Extensive data were developed by this section for the assistance of the attorneys of the Bureau of Law in these cases and a representative of the Section of Safety testified in some proceedings.

Beginning in October 1952, this section was directed to furnish a statement for our information in each application for temporary authority. From October 21, 1952, to October 31, 1953, 791 such reports were prepared. One hundred of these involved applications for temporary authority for the transportation of explosives. In several cases the accident and safety record of the applicant was such as to warrant denial of the application.

During the year we received from motor carriers a total of 37,475 accident reports, an increase of 6.25 percent over the 35,276 received in fiscal 1952 and 13 percent above the 33,114 in the previous year. It has been possible to analyze only 30 percent of these reports, although some handling of all reports received is necessary to determine the reportability of the accident and to obtain figures on the total number of accidents, the number of persons killed and injured, and the total property damage. One hundred and twenty-five special investigations of serious accidents have been given special study.

From June 30, 1952, to October 31, 1953, we received 3,417 safety surveys of motor carriers and 444 reinspection surveys made by members of the field staff to determine the extent of compliance with the safety regulations. We received 12,259 driver-equipment compliance checks. The principal defects disclosed through these checks were faulty wiring connections between tractors and semitrailers,

defective lighting devices, inadequate or missing fire extinguishers, and inoperative parking brakes. Other deficiencies disclosed were violations of the hours of service regulations, improperly maintained drivers' logs, failure to placard vehicles transporting dangerous commodities, and failure to have the required emergency warning devices.

Analysis was made of 11,410 hours of service reports consisting of 34,790 accompanying sheets. These analyses showed violations by 141,147 drivers. There were 89,692 instances of excess daily driving time and 383,995 violations of the weekly on-duty limitations. Monthly reports totaling 21,955 were received from carriers to the effect that no violation of either daily or weekly limitations had occurred.

Members of the Section of Safety staff have continued to confer with manufacturers of vehicles and accessories and with technical groups for the purpose of obtaining their consideration of improving the safety factor in the design of vehicles, parts, and accessories brought to our notice by accident analysis.

A number of recommendations for an improvement in highway design or construction features have been forwarded to the Bureau of Public Roads as the result of accident reports received by us. A number of these have resulted in important highway changes.

Members of the section have continued to serve on various committees of national safety organizations including committees of the National Safety Council, the National Committee on Uniform Traffic Laws and Ordinances, the Federal Safety Council, and the American Association of Motor Vehicle Administrators.

FIELD SECTION

The Bureau of Motor Carriers field work is performed by staff members located at 77 of the principal transportation centers throughout the Nation. The points selected for the Bureau's offices were determined by the number of carriers and shippers located in a given area and the square miles of territory which can be reached from such points with a minimum of travel time.

Notwithstanding an 88-percent increase in motor-vehicle registrations and a comparable increase in the volume of property transported by motor carriers since the end of World War II, the field personnel of the Bureau has been reduced over 39 percent or from 393 employees to 238 employees as of the end of this fiscal year. Because of the limited personnel available for fieldwork, it is not possible to employ specialists to deal with each of the technical phases of our work; therefore, each staff member must deal with matters affecting such subjects as safety of operation, insurance for the protection of the

public, rates and charges, operating authorities, interpretation of the regulations, and enforcement of the provisions of the act.

The foregoing reports of the various sections of the Bureau list the work items which are performed by such sections. The majority of the items listed receive initial handling by the field staff before being sent to Washington, or receive field handling after they are filed in Washington before final disposition is made.

The field staff investigated the records and operations of 1,531 carriers for general compliance; made 2,818 motor carriers' safety surveys; inspected 11,466 motor vehicles; examined 17,122 reports dealing with hours of service of drivers; and investigated 214 accidents out of a total of some 33,388 accidents which were reported to the Bureau. Due to limited personnel, only certain selected accidents which resulted in fatalities or severe property damage were investigated. Three thousand two hundred and forty-three cases of failure or refusal to provide insurance for the protection of the public were handled. Two thousand and fifty-four applications dealing with temporary authority to provide emergency transportation service were handled by the field staff in addition to 838 regular or permanent operating authority applications. One thousand seven hundred and forty-five transfer applications and 851 petitions to revoke operating authority were investigated by the field staff.

A total of 8,469 complaints were filed with the field staff by shippers and receivers of freight, passengers, and motor carriers, of which 3,609 were the subject of a field investigation and informal corrective action was taken; the balance were susceptible to handling by correspondence. A complete investigation and recommendation for enforcement action were made in 548 of the complaint cases.

The field staff interviewed 287,602 persons either by telephone, in person at the field offices, or in the field with respect to matters dealing with the administration and enforcement of part II of the Interstate Commerce Act. In order to perform the work outlined herein, the staff voluntarily and without compensation worked overtime hours equal to 2,398 man-days over and above the required hours of service.

There are, at present, 20,473 for-hire motor carriers who are subject to the provisions of the Interstate Commerce Act. During the year 2,391 exempt and private motor carriers were officially notified that their motor-vehicle operations in interstate or foreign commerce are subject to our Motor Carrier Safety Regulations, making a total of 32,233 exempt carriers and private carriers who have been so advised to date. It is estimated that there are approximately 117,090 exempt and private carriers who have never been notified officially that they are subject to our safety regulations. There is an urgent need for

more contact with this latter group of private and exempt carriers in order to make the application of our safety regulations more effective with respect to such carriers who operate approximately 1,300,647 motor vehicles on the Nation's highways.

During the year fieldwork relating to street and highway transportation was performed for the Defense Transport Administration. The Bureau was compensated for such work by being provided with funds to employ sufficient employees to enable the staff to perform this additional work. The work performed under this arrangement amounted to approximately 57 man-years and covered such matters as motor transport conditions, tax amortization and defense loan investigations, construction applications, and investigation of need for special oversize and overweight permits. This work was discontinued at the close of the 1953 fiscal year and the personnel provided for that purpose was separated from service.

BUREAU OF SAFETY

A more detailed report of this Bureau is published as a separate document.

Except as otherwise specified, the report here made is for the year ended June 30, 1953.

SAFETY APPLIANCES

The following table shows the results of inspection of safety appliances, together with corresponding data for the preceding year:

	1953	1952
Freight cars inspected.....	1,253,590	1,185,675
Percent defective.....	3.68	3.67
Passenger-train cars inspected.....	38,115	29,079
Percent defective.....	3.41	3.76
Locomotives inspected.....	14,303	13,184
Percent defective.....	1.97	2.50
Number of defects per 1,000 units inspected.....	43.21	43.80

During the year, 113 cases of violation of the safety appliance laws, comprising 376 counts, were transmitted to United States attorneys for prosecution. At the beginning of the year, 309 counts were pending in the district courts. Judgment was confessed on 409 counts, 2 counts were dismissed, and 6 counts tried, resulting in judgment for the Government on all counts. The 3 counts reported last year as having been appealed by the defendant were decided in favor of the Government. Of the 7 counts reported last year as having been appealed by the Government, 5 counts were decided in favor of the defendant and 2 in favor of the Government. Eight of the 12 counts reported last year as awaiting decision by the district courts were

decided in favor of the Government, 1 count for the defendant, and 3 counts are still awaiting decision. Two of the counts decided in favor of the Government and 1 count in favor of the defendant are pending on appeal. On June 30, 1953, 57 cases comprising 268 counts were pending in the district courts.

The Commission's order of September 21, 1945, requiring the application of AB brakes to cars used in freight service, was further amended by orders of September 24, 1952, September 25, 1952, and November 18, 1952. The order of September 24, 1952, extended the effective date of the order, insofar as it pertains to noninterchange cars that may be used in transporting revenue freight, and all cabooses, to December 31, 1953, and for all other noninterchange cars to December 31, 1954. The order of September 25, 1952, further amended the order so as not to require the application of AB brakes on cars that are used exclusively in switching operations and are not used in train movements within the meaning of the Safety Appliance Acts. The order of November 18, 1952, extended the effective date of the order, insofar as it pertains to cars used in interchange freight service, and also defined the term "interchange service" to mean the movement of any car that is engaged in freight service, irrespective of ownership, that is interchanged between or among two or more respondent railroads. The effective date of the order for all cars used in interchange service, other than tank cars, including the cars of private car-line companies, was extended to June 30, 1953, except that such cars may be moved prior to October 1, 1953, if routed to owner. The effective date of the order for all tank cars used in interchange service, including the tank cars of private car-line companies, was extended to October 1, 1953, except that such cars may be moved prior to January 1, 1954, if routed to owner.

Certificates of approval of 33 types of geared hand brakes, issued by the Association of American Railroads, are currently in effect; 21 are of the vertical wheel type, 9 of the horizontal wheel type, and 3 of the lever type.

HOURS OF SERVICE

The following table contains statistics for the year and corresponding data for the preceding year:

	1953	1952
Railroads filing hours-of-service reports	636	647
Railroads reporting instances of excess service	154	168
Instances of excess service reported	6, 546	8, 592

One case of violation of the hours-of-service law, comprising 9 counts, was transmitted to a United States attorney for prosecution.

At the beginning of the year, 1 count was pending in a district court. Judgment was confessed on 10 counts. On June 30, 1953, no cases were pending in the courts.

SIGNAL SYSTEMS, INTERLOCKING, AUTOMATIC TRAIN-STOP, TRAIN-CONTROL, AND CAB-SIGNAL DEVICES

According to reports submitted by the carriers, block-signal systems, interlocking, and automatic train-stop, train-control, and cab-signal devices were in use on January 1, 1953, as follows:

	Plants	Miles of—		Locomotives
		Road	Track	
Block-signal systems:				
Automatic.....		78,958.5	109,857.3	-----
Nonautomatic.....		29,768.1	31,009.5	-----
Total.....		108,716.6	140,866.8	-----
Corresponding totals, Jan. 1, 1952.....		108,300.6	140,522.8	-----
Interlocking:				
Number of plants.....	4,332			-----
Automatic train-stop, train-control, and cab-signal devices:				
Train-stop.....		8,944.6	15,222.8	5,580
Train-control.....		1,003.4	1,893.9	889
Cab-signal.....		3,677.6	8,027.2	4,233
Total.....	4,332	13,625.6	25,143.9	10,702
Corresponding totals, Jan. 1, 1952.....	4,339	12,630.8	23,723.1	10,423

Detailed information concerning these installations is contained in the annual statistics bulletin, compiled separately.

During the year, 558 applications for approval of modifications of block-signal systems and interlockings were filed by the carriers. At the beginning of the year, action was pending on 57 applications, previously filed. Of these, 565 applications were acted upon, 6 were withdrawn, and action was pending on 44 at the close of the year.

During the year, 48 applications were filed in connection with the rules, standards, and instructions prescribed by the Commission's order of June 29, 1950. Seventy-two were acted upon, and 3 were withdrawn. At the close of the year, 6 applications were pending. During the year public hearings were held on 11 applications, and appropriate action taken.

Monthly signal-failure reports filed by the carriers are summarized in the separate Bureau report, totals being as follows:

False restrictive failures.....	29,509
False proceed failures.....	109
Potential false proceed conditions.....	15

During the year, inspections were made as follows:

Block-signal systems.....	804
Interlockings.....	1, 943
Automatic train-control and cab-signal devices.....	525
Traffic control systems.....	448
Other similar appliances, methods, or systems.....	24
Total.....	3, 744

These inspections have resulted in bringing to the attention of the railroad managements, for necessary corrective action, a large number of unsatisfactory maintenance conditions which have been found to exist.

During the year, 1 case of violation of section 25 of the Interstate Commerce Act, comprising 10 counts, was transmitted to the United States attorney for prosecution. At the beginning of the year, 22 counts were pending in the district courts. Judgment was confessed on 12 counts. On June 30, 1952, 1 case comprising 20 counts was pending in the district court.

INVESTIGATION OF ACCIDENTS

The Bureau investigated 53 train accidents, of which 36 were collisions and 17 were derailments. The collisions resulted in 69 deaths and injuries to 566 persons. The derailments resulted in 23 deaths and injuries to 475 persons. The totals were 92 killed and 1,041 injured.

Five of the more serious accidents investigated were the following:

Collision between a freight train on the Pittsburgh & Lake Erie Railroad and a school bus at Collinsburg, Pa., on September 17, 1952. Casualties—4 killed and 40 injured. Cause—school bus occupying rail-highway grade crossing immediately in front of approaching train.

Derailment of a passenger train on the line of the Washington Terminal Co. at Union Station, Washington, D. C., on January 15, 1953. Casualties—87 injured. Cause—train moving out of control after angle cock became closed as a result of contact between handle of angle cock and car structure rendering power brakes on rear cars of train inoperative from locomotive.

Rear-end collision between a freight train and a passenger train on the Atlantic Coast Line Railroad at Fleming, Ga., on January 17, 1953. Casualties—2 killed and 85 injured. Cause—failure to operate the following train in accordance with signal indications.

Derailment of a passenger train on the New York Central Railroad in Pennsylvania, near Conneaut, Ohio, on March 27, 1953; collision between this train and a freight train on an adjacent track; and derailed equipment of both trains being struck by a second passenger train. Casualties—21 killed and 49 injured. Cause—improperly secured lading falling from freight car and damaging adjacent track sufficiently to cause derailment of the passenger train.

Derailment of a passenger train on the Atlantic Coast Line Railroad at Dillon, S. C., on April 20, 1953. Casualties—4 killed and 140 injured. Cause—train moving over an interlocked switch, the points of which were unlocked and not in proper position.

GRADE CROSSING—RAILWAY WITH HIGHWAY

During the calendar year 1952, there were 3,592 accidents at highway grade crossings, which resulted in the deaths of 1,407 persons and the injury of 3,904 persons. Automobiles were involved in 3,294 of these accidents, in which 1,249 persons were killed and 3,752 injured. There were 69 derailments of trains at highway crossings involving automobiles, which caused the death of 26 persons and the injury of 72 persons. Casualties to persons on trains resulting from derailments and other train accidents at highway crossings consisted of 1 killed and 54 injured. Information concerning highway grade crossing accidents, together with comparable statistics for the preceding 2 years, is shown in the following table:

Accidents at highway grade crossings, years ended December 31, 1952, 1951, and 1950

	1952			1951			1950		
	Number	Number of persons		Number	Number of persons		Number	Number of persons	
		Killed	Injured		Killed	Injured		Killed	Injured
Accidents at highway grade crossings.....	3,592	1,407	3,904	3,995	1,578	4,335	4,000	1,576	4,368
Accidents at highway grade crossings involving automobiles.....	3,294	1,249	3,752	3,653	1,396	4,161	3,662	1,393	4,206
Derailments of trains at highway grade crossings involving automobiles.....	69	26	72	61	23	95	62	23	99
Miscellaneous train accidents as a result of collisions between trains and automobiles.....	262	114	124	260	91	154	232	93	89
Automobiles registered.....	52,608,394			51,291,597			48,548,568		
Railroad casualties:									
Passengers.....			17		1	52			31
Employees on duty.....		5	84		4	112		8	84
Persons carried under contract.....						3			3
Travelers not on trains.....			1						
Total.....		5	102		5	167		8	118

MEDALS OF HONOR

The act of February 23, 1905 (45 U. S. C. 44 and 45), authorizes the President to bestow bronze medals of honor upon persons who, by extreme daring, endanger their own lives in saving or endeavoring to save lives from any wreck, disaster, or grave accident upon any railroad within the United States engaged in interstate commerce. During the past year two applications for award of medals of honor as provided in this act were filed. Medals were awarded in both cases, as follows:

Donald Stokes, a farmer, rescued a 2-year-old girl from the track in front of an approaching train on the Illinois Central Railroad at Mitchell, Iowa, on July 26, 1952. Mr. Stokes had reached the railroad crossing in his automobile when he saw the child sitting in a toy wagon between the rails of the main track and a train approaching at a speed of about 35 miles an hour. He jumped from his car, ran a distance of about 200 feet, picked up the child and wagon and got off the track an instant before the train had reached that point, the speed of which had been reduced by that time, but the train passed the point of rescue before being stopped.

Ernest L. Wall, a switchman employed by the Atchison, Topeka & Santa Fe Railway, rescued an 18-month old girl from the track of an approaching train at El Dorado, Kans., on November 5, 1952. Mr. Wall and other employees were riding in the control compartment of a diesel locomotive coupled to 22 tank cars. The control compartment was on the head end of the train at the time. As the train rounded a 4° curve the employees observed the child about 180 feet away beside the track and who later attempted to cross the track but fell between the rails. The engineman shouted a warning, applied the brakes in emergency, and Mr. Wall and another switchman jumped to the running board of the locomotive and ran to the front end of the locomotive. Realizing he could not rescue the child while standing on the running board, Mr. Wall jumped off and ran ahead of the locomotive, the speed of which was about 10 miles an hour at that time, grabbed the child in his arms and jumped clear of the track, barely in time to avoid being run over.

Since the passage of this act, 104 applications have been filed, 65 medals have been awarded, and 39 applications denied.

INVESTIGATION OF SAFETY DEVICES

During the year, plans and specifications of 11 devices designed to increase safety in railway operation were examined, and opinions thereon transmitted to the proprietors or their agents.

BUREAU OF SERVICE

Many of the activities in which this Bureau has participated are covered in the chapter "Train Service, Car Service and Car Supply."

This Bureau has continued to perform the field work for the Defense Transport Administration in connection with rail transportation. Investigations have been made in tax amortization and loan cases, as well as into warehouse and port facilities. When the D. T. A. made drastic reductions in its personnel on June 30, 1953, its responsibilities formerly exercised by its Materials & Equipment, Port Utilization, and Railroad Transport Divisions (including its Tank Car Section), were assumed by the Bureau of Service. The materials service agent has rendered assistance on tax amortization and loan cases affecting railroads.

We have continued policing of Service Orders and other orders issued by the Commission and Defense Transport Administration. Investigations in connection with Ex Parte No. 104, Part II, were progressed. During the past year our agents have conducted investigations at 17,777 railroad agencies and yards. They submitted 12,920 letter reports of terminal investigations and 10,837 reports of industrial detention. It was necessary to place 361 embargoes against industries which were delaying cars; we disposed of 874 demurrage and 47 passenger service complaints.

Lack of appropriation has caused a drastic reduction of our field and departmental force. Travel funds are inadequate. Much necessary work will be left undone as the result of these circumstances.

It was again necessary to move additional stock cars into the Southwest to move the livestock from the drought-stricken area. Our agents assisted in expediting the relief feed into the various States which were damaged by the prolonged hot dry weather.

Numerous work stoppages of industrial employees throughout the year caused considerable car detention. All cases were carefully watched by service agents who kept Washington advised, so that necessary action could be taken.

Controversy between watermelon growers in Georgia and Florida and the New Haven Railroad involving discrimination against melon dealers was settled by action of the service agent in Boston and the Washington office.

Seasonal movements of fruits, vegetables, and grains were handled with a minimum of delay; also the large volume of ore, both imported and from the head of the Lakes. Service agents were active in securing repairs to equipment, prompt dispatch and release of loads, and the return of empty cars to the loading areas.

As the result of Service Order 866 (Railroad Operating Regulations for freight car movement), the checking for compliance by service

agents, and the prosecutions of carriers for violations since 1951 and 1952, improvements in railroad performance have been accomplished. Recent checks have shown improvement in the placement of loads and the pulling of empties from industries and a reduction in terminal delay. This proves the value to the shipping public of an adequate field force of agents to maintain supervision over railroad operations.

A study of the utilization of all freight-carrying equipment for the year 1952 reveals an average tons per carload of 41.81. This is within 0.17 tons of the alltime record set in 1951. Despite the slight decrease in average tonnage per car in 1952 under 1951, each commodity group, with the exception of forwarder traffic, either equalled or exceeded the 1951 averages. The decrease of 0.17 tons per car in the overall average is largely accounted for by the lesser number of carloads of products of mines originated. In fact, all carload commodities, excluding products of mines, averaged 31.35 tons per car in 1952 compared with 31.29 in 1951.

Compared with 1951, a decrease of 2,097,472 cars and 93,728,205 tons of originated freight is recorded. This decrease was due, in part, to the steel strike of June and July. Products of agriculture averaged 35.47 tons per car compared with 35.53 in 1951. Animals and products averaged 14.72 tons per car, which is the same as the 1951 average. Products of mines averaged 57.68 tons per car, which is an increase of 0.16 tons per car over the 1951 average; however, car loadings of this commodity group decreased 1,185,000 cars for the year. Hopper car loadings decreased 10.4 percent and gondolas 7.8 percent compared with 1951. This decrease, together with the decrease of 472,000 gross tons of export coal shipped is responsible for the decrease in the overall carload average for the year. Products of forest averaged 34.91 tons per car compared with 34.52 in 1951. Manufacturers and miscellaneous averaged 31.28 tons per car compared with 31.09 in 1951. Forwarder traffic averaged 12.97 tons per car, which is a decrease of 1.17 tons per car compared with 1951.

One effect of the steel strike is reflected in the average detention over the 48-hour free time of freight-carrying equipment for the year which increased to 16.56 percent compared with 14.74 percent for year 1951.

Serviceable car ownership on January 1, 1953, was 1,745,750 compared with 1,738,172 on January 1, 1952. Net ton-miles per serviceable car day for the year 1952 was 973 as compared with 1,028 in 1951. This is, however, almost exactly equal to the 1950 average. Net ton-miles per train-mile were 1,296 compared with 1,300 in 1951. Net ton-miles per loaded car-mile were 32.5 compared with 33 in 1951.

EMERGENCY ORDERS

From October 1, 1952, to September 30, 1953, 40 emergency service orders were issued, including vacating orders, plus 58 amendments. In addition, 2,700 general and special permits were issued. These orders were issued in addition to those previously issued and continued in force. The control of shipments of lake-cargo coal, the control of tank cars, and the use of refrigerator cars, were continued by the appointment of agents who exercised the control by acting on instructions from the Director of the Bureau.

Other orders prohibited the use of refrigerator cars for certain commodities, permitted the use of certain types of refrigerator cars for certain other commodities; imposed restrictions on the use of trap and ferry cars; limited reconsignment of lumber; and prescribed the minimum weights to be observed on shipments unloaded at stopoff points and forwarded in other cars to destination. Certain orders controlled the routing of traffic, while others authorized rerouting in cases of work stoppages, congestion, storms, and damage to bridges, tunnels or tracks, by earthquakes, floods, fires, et cetera.

A number of orders concerned demurrage, including those issued during the work stoppages. Increased demurrage charges were required for freight cars, and Saturdays were included in the period of computation. Free time for loading and unloading at ports was restricted. Service orders were relaxed from time to time as the need lessened and as the car supply increased.

Other orders imposed certain regulations for freight car movement. However, it was not necessary to issue any orders requiring railroads to unload unduly detained cars and return them to service. The unloading and release of such cars were obtained by the efficient and effective handling by our service agents with the cooperation of the carriers.

EXPLOSIVES SECTION

Notwithstanding the limited staff employed in the Section of Explosives and the increased utilization that has been made of its services, this section has been able to perform its functions on a reasonably current basis. The few extra employees provided through a working fund arrangement with D. T. A., until recently separated from the service, provided evidence of various irregularities or questionable shipping practices and enabled the Commission to take corrective action at the source, as well as to render useful shipping or technical advice all in the best interests of the general public. The loss of this specialized personnel in the field and office due to budget cuts will restrict its ability to make inspections and render services

to the extent needed to minimize violations, if not accidents, in connection with the transportation of all dangerous articles.

The principal functions of this section are to formulate regulations for the transportation of explosives and other dangerous articles and to administer such regulations so that reasonable safety in accord with the best known practicable means will prevail. To perform these functions satisfactorily, from a public as well as an administrative viewpoint, requires a much greater staff than has been made available because the development of explosives, chemicals, containers, test methods, and transportation practices, is expanding and because unusually complicated requests for technical or advisory assistance are also multiplying. The current economy requires the concerted attention to meet new problems and rules of long standing are being changed to meet rapidly changing conditions.

One accident involving transportation of explosives by railroad was investigated jointly by our Bureau of Service and Bureau of Safety. This was a derailment of a 107-car freight train on the Chicago, Milwaukee, St. Paul & Pacific Railroad, near Lewis, Ind., on March 28, 1953. The 48th and 49th cars were loaded with high explosives in powder form, packed in boxes, and the 50th car was loaded with artillery shells, also packed in boxes. While the train was moving at a speed of 38 miles per hour, the 41st to 63d cars, inclusive, were derailed, the derailment being caused by a broken rail. Following the derailment, fire broke out in the wreckage, an explosion occurred which scattered fragments of the wreckage over a wide area, and unexploded fused projectiles and shell castings were intermingled with the wreckage, many of which subsequently exploded. The explosions and fires resulting therefrom caused extensive damage to the railroad track and equipment and destroyed many of the buildings in Lewis, a village of about 300 population.

There were no fatalities; a total of 28 persons were injured, the comparatively small number of injuries being attributed to the fact that a considerable part of the population was attending a meeting at a point remote from the scene of the accident. The investigation of this accident disclosed no violation of the rules governing transportation of explosives which had any bearing upon the cause of the accident, the explosion being attributable directly to the fire which broke out in the wreckage following the derailment.

At the present time we have only three men assigned as explosives agents although each of the thirty-odd service agents (including working fund and general roll) devotes a small portion of his time to the investigation of the handling of explosives and other dangerous articles. In view of the large volume of rail transportation of these

commodities, it can be readily seen that our present staff is totally inadequate to enable us to discharge our responsibilities.

The field force submitted a total of 2,579 reports covering its investigations of matters dealing with the transportation or shipping of explosives and other dangerous articles, which reports reflected a total of 16,166 violations of the regulations. Although compliance with the regulations was achieved in 1,095 instances, there were 387 instances which required additional handling through the Washington office. Prosecution was recommended in connection with 19 of the reports. A total of 262 special permits was issued during the 12 month period to allow deviations from the regulations under conditions that would not increase the hazard in transportation. Most of these permits allowed the use of alternate containers due to shortages of authorized types; to permit shipping or transportation practices to proceed on a trial basis to gain experience; or to provide a means for transporting recently developed materials under controlled conditions pending the adoption of appropriate regulations.

BUREAU OF TRAFFIC

Data covering particular activities of the Bureau are shown below.

TARIFFS

There were received for filing 129,503 publications containing newly established or changed freight, express, pipeline or freight-forwarder rates, passenger fares or contract-carrier minimum rates. The detailed figures follow:

Freight:

Rail, highway or water, common carriers.....	104, 955
Highway or water, contract carriers.....	2, 886
Passenger.....	14, 372
Express.....	1, 488
Pipeline.....	572
Freight forwarder.....	5, 230

In addition to the above publications there were filed 9,846 contracts or amendments to existing contracts between freight forwarders and motor common carriers pursuant to section 409 of the act, as amended.

Of these tariff publications and contracts 1,266 were rejected for failure to give notice required by the statute or for nonconformity with regulations. Tariffs and minimum-rate schedules were criticized in 10,070 instances. Powers of attorney and certificates of concurrence filed aggregated 10,165. Applications received requesting permission to change rates or other tariff provisions on less than statutory notice or without full compliance with our publishing rules numbered 10,178. There were received and filed 3,216 copies of contracts between motor contract carriers and shippers covering the charges of such carriers

for transportation for such shippers. The issuance of operating certificates and permits to motor carriers and the transfer of such operating rights are conditioned upon the filing of appropriate rate tariffs or schedules by the carriers involved. Such filings were checked in connection with the issuance of 1,939 new or amended permanent certificates and permits and in connection with 2,253 transfers. Similar checks were made in connection with the granting of 1,840 applications for temporary operating authority. For use in transportation studies 284,681 rail freight waybills were analyzed and checked to determine the class rates and distances involved. Our duplicate tariff files have been maintained for use of the public.

SUSPENSION

Requests for the suspension of newly published tariffs or minimum-rate schedules proposing changes in rates, fares or regulations were filed in 2,958 instances, an increase of 889 over the previous year. Of these protested changes 280 represented increases, 2,467 represented decreases, 193 represented both increases and reductions, and 18 were not direct rate changes.

Many of these protests were directed against more than one tariff or schedule, and in many instances more than one request for suspension of the same tariff was filed. A total of 4,715 tariffs were involved in the requests for suspension, and the total number of requests received was 4,924. Of these 1,150 were from shippers, usually protesting increases, and 3,774 were from carriers, usually protesting reductions proposed by competing carriers. Counted as requests from shippers were 16 protests filed by agencies of the Federal Government and 17 by State agencies.

The following action was taken on the requests for suspension:

Suspension proceedings instituted, including supplemental proceedings---	1, 484
Refused to suspend-----	1, 142
No action taken, due to late filing or other special reasons-----	332

During the year 476 suspension proceedings were discontinued prior to hearing, 39 because the order of suspension was vacated upon further consideration and the remaining 437 because the respondents advised the Commission that they would not attempt to justify the suspended tariffs or schedules.

THE FOURTH SECTION

The number of applications filed for relief from the provisions of section 4 was 1,093, an increase of 109 over the previous year. The number of orders entered in response to applications was 1,019, of which 30 were denial orders, 892 were orders granting continuing relief, and 97 were orders granting temporary relief. Fifteen formal reports were issued.

The number of petitions filed for modification of outstanding orders was 270, of which 236 were granted in whole or in part, 9 denied, 10 withdrawn, and 15 pending.

Applications withdrawn, wholly or in part, after correspondence with carriers, numbered 30, and 13 applications or portions thereof were heard.

RELEASED RATES

There were filed 37 applications for authority under sections 20 (11), 219 and 413 of the act to establish rates dependent upon declared or agreed value, and 29 of such applications were pending at the beginning of the year. Of this total of 66 applications, 46 were granted, 1 denied, 8 withdrawn, and 11 are pending. During the year 28 orders previously entered were rescinded.

BUREAU OF TRANSPORT ECONOMICS AND STATISTICS

The decline in the staff of this Bureau was referred to in our last annual report. As there indicated, these staff losses impair our ability promptly to secure information regarding the operations of the carriers as well as early analysis and interpretation of data important to our reports and decisions.

This decreased staff accounts in part for the fact that the report forms and instructions for associations and organizations subject to the provisions of sections 20, 220, 313, and 412 of the act and the necessary mailing lists have not yet been completed, contrary to our anticipations of a year ago. However, this work is much farther advanced than at that time.

As noted in our last report, we issued, on July 31, 1952, another notice to class I motor carriers embodying a previous proposal to collect annual reports of truckload tonnage and revenues by individual commodity classes for 1953 and subsequent years. This later proposal differed from the original one in providing that such reports should not be open to public inspection in deference to the prohibitions of section 222 (e) regarding disclosure of the business of shippers. Carriers were allowed 60 days to protest, a date subsequently extended to October 31, 1952. On January 5, 1953, we decided that these statistics would not be required for the calendar year 1953, but that the matter of such requirements thereafter would receive further consideration.

Under an order of September 30, 1952, all class I line-haul railroads were required to file a special report on sources and application of funds for the year 1951. This report was preliminary to a determination by us of whether any such report should be required each year either as a schedule in the annual report form or separately. As stated in last year's report, our action in requiring this special report

was influenced partly by the introduction by the rail carriers in Ex Parte No. 175 of an exhibit purporting to show "Funds available and funds required." All reports called for under our order on this subject were filed during the fiscal year, and a preliminary summary and analysis of such reports has been completed. We have not as yet, however, determined what action, if any, should be taken with regard to future reports of this character.

During the year the annual report forms for the class II motor carriers were expanded to include a more detailed balance sheet designed to furnish more adequate information regarding the insurability of the reporting property carriers under our insurance requirements. This balance sheet was also so designed as to conform with a recommended system of accounts for class II motor carriers contemplated for publication by our Bureau of Accounts and Cost Finding.

The Bureau has cooperated with the Bureaus of Motor Carriers and Law in steps, approved by us, looking to the revocation, after due notice, of the operating rights of class II and class III motor carriers which are delinquent in the matter of filing annual reports. Also, no action on applications for additional operating rights or for transfers of rights is being taken where annual reports have not been filed. These steps have caused the filing of many delinquent reports.

Each year since 1948 a great deal of staff time has been required merely to collect the class II and III reports, and our inability to secure the small additional staff necessary has precluded their tabulation and analysis. As yet, compilation work on a large sample of the 1950 reports, mentioned a year ago, has not been completed. However, the reports of individual carriers have found a rather extensive utilization each year as is evidenced by frequent calls for such reports.

Since its institution in the year 1947 we have effected a great increase in the economy and efficiency of conducting our railroad waybill work. As of June 30 of that year the staff assigned to this work aggregated 96 people, including the rate personnel assigned from our Bureau of Traffic. As of September 1, 1953, the latest available date, the work was being handled with a total staff of only 42 people, including rate personnel. This is a reduction of 56 percent in personnel from 1947. Because of increased economy and efficiency, we estimate that the total cost of this waybill work has been reduced by approximately 30 percent between the 2 years despite the fact that in the meantime the base pay rates of the personnel involved have been increased by in excess of 60 percent. We anticipate that there will be some further improvements in the conduct of this work. Our own utilization of the waybill information, as well as its use by others in proceedings before us, would be greatly advanced by the addition of a

very small analytical staff. Such a limited staff was an integral part of the original waybill program and has been repeatedly sought in our requests for funds.

Our waybill statistics have been utilized in exhibits or otherwise in investigation and suspension cases, section 13 cases, motor-carrier dockets, finance dockets, and other proceedings. The basic waybill sample data, as well as our published statistics, have also been utilized by rail carriers in connection with various intrastate rate proceedings, as well as for other purposes. The statistical bureau of the western lines has obtained, at their own expense, each year since 1948, a complete set of waybill cards prepared from the waybills of traffic either originating or terminating on their lines. A few individual carriers have secured, at their own expense, duplicate sets of cards covering their State-to-State movements.

In our previous reports we referred to situations giving rise to adjustments of individual rates below the interstate maximum. Our waybill statistics have provided a means for measuring approximately the quantitative effects of these adjustments. Our continuing annual series of rate indexes derived from these statistics, which now cover the 6 years 1947-52, furnishes comparisons not only of changes in the average freight rates from year to year but also between the authorized and effective increases on many commodity classes.

In our last report we referred to field surveys being carried on by our Bureau of Accounts and Cost Finding in connection with the procedures in use by the reporting carriers for selecting the 1-percent waybill sample. These surveys reveal that accurate waybill reporting comes only from those railroads which have established adequate checking procedures to determine the completeness of the sample selection. Information derived from this survey has been referred to the carriers with the request that each of them institute an adequate check of their sampling procedure in case they have not already established one. Their response to this request has been very gratifying.

Improvements have also been made in our own procedures. The calculation of the short-line mileage for every carload shipment in the 1-percent waybill sample has been a time consuming and expensive task. The new mechanical miling unit, the establishment of which was referred to in our last report, has developed a satisfactory and practicable method for determining intrastate short-line mileages, and all the intrastate bills for the State of Texas are now being handled by this method. The necessary master cards for other States are now in preparation but, as previously indicated, the shift from manual to mechanical miling of waybills will progress only slowly and will require some time. The determination of first-class rates has already

been fully mechanized, and the increasing mechanization of the waybill work has been partially responsible for the decrease in the overall cost of the work despite the very large increases in the base pay rates of the people employed thereon.

Since our investigation of the reporting of railway accidents in the early 1940's, we have been fully cognizant of the inaccuracies in our railway accident statistics arising both from misreporting and under-reporting of reportable accidents on the part of the carriers. These reporting inaccuracies have continued in more recent years. This has been conclusively established by a system of annual checks of the accident reporting records of roads with outstanding records for safety in terms of the published statistics, a plan instituted several years ago by the Harriman Safety Awards Committee.

The general research staff of the Bureau has carried forward a variety of activities, despite personnel difficulties. The research reports issued during the year are listed below. In addition, considerable work has been performed in connection with rate proceedings and to meet other needs.

Title

531-----	Class I, II, and III Motor Carriers Revenues, Ton-Miles and Passenger Miles, 1939-51.
532-----	Freight Revenue and Wholesale Value at Destination of Commodities Transported on Class I Steam Railways in the U. S., Year 1950.
535-----	Indexes of Average Freight Rates on Railroad Carload Traffic, 1947-51.
5310-----	Selected Elements of Value of Property Used in Common Carrier Service, Before and After Recorded Depreciation and Amortization, Class I Line-Haul Railways, Including Their Lessors and Proprietary Companies, January 1, 1952.
5314-----	Condensed Consolidated Statistical Statements, Class I Railways Having Annual Railway Operating Revenues of \$10,000,000 or More, Years Ended Dec. 31, 1950 and 1951.
5315-----	Railway Operating Statistics—Rules, Instructions, Interpretations and Definitions Used in Connection with the Reporting of Railway Operating Statistics.
5316-----	Rail-Highway Grade-Crossing Accidents, 1952.
5321-----	Motor Operations of Class I Railroads.
5325-----	Statistics of Small Shipments (Percentage Distribution by Type of Agency of Number, Pieces and Weight of Small Shipments, 1951).
5339-----	Indexes of Average Freight Rates on Railroad Carload Traffic, 1947-52.

BUREAU OF VALUATION

During the year, this Bureau has been engaged principally in two major activities: first, bringing property changes on railroads to later

dates, ascertaining original costs, pricing and depreciating for the determination of reproduction costs, collecting data reflecting changes in land values, and other underlying data, including auditing of reports covering extensions, improvements, retirements and other changes; and, secondly, checking and processing basic underlying data submitted by pipeline carriers in response to our valuation orders, and collecting and correlating data upon changes in original costs, quantities, prices, and depreciation of these carriers. In response to our authorization, the Bureau has prepared for our approval basic and annual tentative and final valuation reports and orders on pipeline companies reporting to us.

The foregoing work is either directed by the Congress, required under section 19a of the act, or found necessary by us in the discharge of our regulatory functions under other sections of the act.

The following valuations, releases, and studies were prepared by the Bureau during the year:

Elements of value on class I railways, with Original Cost totaling \$27,900,000,000 and Cost of Reproduction Less Depreciation \$30,000,000,000.....	130 carriers
Tentative valuations on pipelines (annual) totaling \$4,000,000,000..	219 reports
Final valuations on pipelines (annual).....	183 reports
Original cost to date for reorganizations, consolidations, etc., furnished roads for purposes of recording such costs on their books in the investment.....	17 carriers
Railroad Construction Indices, 1952	
Pipeline Construction Indices, 1952	
Railroad Normal Maintenance Study, 1952	

In addition a large amount of valuable data was supplied to other Bureaus of the Commission, other Government agencies, Members of Congress, the carriers, States, and to the general public, as follows:

Bureau of Accounts and Cost Finding.—Special studies, mainly engineering, were made or reviewed for this Bureau, the more important of which were:

Elements of value as of January 1, 1952, of Class I Switching and Terminal roads.
Extra cost of locomotive repairs in Mountainous Territory over repairs in Non-mountainous Territory.

Elements of value allocated to States for several large roads in Mountain-Pacific Territory.

Percentage relationship of reproduction cost new of certain road accounts to total reproduction cost new of all road accounts except land.

Ratio of main-line track in terminals to total of all terminal tracks.

Separation of land values between urban and rural territory.

Bureau of Finance.—Elements of value were furnished to this Bureau for use in the following:

F. D. 16483, Long Island R. Co. Reorganization

F. D. 9918, Missouri Pacific R. Co. Reorganization

Other Government agencies.—Among others, valuation data were furnished the following: Department of Commerce, Department of Justice, Internal Revenue Service, Bureau of Public Roads, Department of Defense, General Services Administration, Coast and Geodetic Survey, Department of Agriculture, State Department, Defense Transport Administration, Petroleum Administration for Defense, Central Intelligence Agency, Civil Aeronautics Administration, and the Civil Defense Administration. The data supplied consisted generally of information on depreciation, cost indices, deferred maintenance, appraisals, and prices of all kinds of railroad property and other related matters.

In response to request of September 1952, from the Secretary of Commerce, the Bureau undertook, and completed this year, an appraisal and report on the "fair value" of the property of the Inland Waterways Corporation. This valuation was made pursuant to the Denison amendment, an act which required that a fair value be ascertained by the Interstate Commerce Commission before sale of the property to private interests. The Bureau is now engaged in the following work:

Securing semiannual operating statistics for the Petroleum Administration for Defense in connection with national defense.

Furnishing member on interagency committee for a task group of the Industry Evaluation Board, Department of Commerce, engaged in security work on pipeline systems.

Furnishing representatives on interagency committee for evaluating the excess cost of construction of steel bridges due to protecting navigation over navigable streams.

Carriers and the States.—Original cost, cost of reproduction, and present value of land and rights of class I railways were furnished the tax departments of many railroad carriers and the revenue departments of numerous States for use in connection with assessment for taxation purposes. While the data requested are a byproduct of our work, as are that furnished other Government agencies, nevertheless, the cumulative effect on our work of responding to all these requests is substantial. Data were also supplied to the railroads for past accrued depreciation and the initial rates of depreciation.

Due to limited appropriations and lack of personnel for this Bureau, the work, as we have repeatedly stated, is "falling lamentably behind." Certain phases of it have accumulated large backlogs, and it is becoming increasingly difficult to prepare reliable data for our use. The Bureau of Valuation, whose work depends to an exceptional degree on the continuity of records and knowledge of what these records mean, has had practically no additions or replacements in professional

positions in 20 years. Unless this situation is corrected soon, the Bureau will be unable to perform its duties in the not very distant future.

BUREAU OF WATER CARRIERS AND FREIGHT FORWARDERS

The Bureau's primary functions include (1) the processing of applications of water carriers and freight forwarders for operating authority or for exemption, and applications filed under section 5a for approval of rate-bureau agreements; (2) advice and assistance to the Commission on rate and related matters affecting water carriers and freight forwarders, and transfer of water-carrier operating authorities; and (3) effecting compliance with the Interstate Commerce Act and our regulations thereunder by water carriers, freight forwarders, and rate bureaus. To assist in its application and compliance work the Bureau maintains field offices at New Orleans, Houston, San Francisco, Portland, Chicago, St. Louis, New York, and Washington. Under an agreement with Defense Transport Administration the Bureau's field staff also performs field work for the Inland Waterway and Port Utilization divisions of D. T. A.

During the year the Bureau prepared 79 proposed and final reports on water carrier, freight forwarder, and section 5a applications; revised or reviewed 23 reports in rate and water-carrier finance cases prepared in other bureaus; acted in a review and advisory capacity in 4 other rate proceedings; and handled 47 petitions for reconsideration or other relief in application proceedings. A total of 78 requests for temporary authority by water carriers was processed. The following is a cumulative summary of the Bureau's work in application and ex parte proceedings:

	Cumulative—Nov. 1, 1940, to Oct. 31, 1953			Pending Nov. 1, 1952	Period—Nov. 1, 1952, to Oct. 31, 1953			Pending Nov. 1, 1953
	Filed	Reopened	Decided		Filed	Reopened	Decided	
Grandfather clause.....	775	437	1, 207	2	-----	16	13	5
Extension and new op- eration.....	354	132	461	30	23	15	43	25
Exemption.....	437	15	451	2	1	-----	2	1
Temporary authority.....	651	235	882	5	56	21	78	4
Total water carrier.....	2, 217	819	3, 001	39	80	52	136	35
Freight forwarder.....	289	188	467	15	14	9	28	10
Agreements sec. 5a.....	48	2	34	23	7	-----	14	16
Ex parte.....	21	2	22	1	1	-----	1	1
Total.....	2, 575	1, 011	3, 524	78	102	61	179	62

During the year, 444 conferences were held in the Bureau's office in Washington with water-carrier, freight-forwarder, and rate-bureau representatives, and others, regarding various subjects, particularly compliance matters. Four hundred and twenty-seven inquiries or

investigations were instituted and reports filed thereon by the Bureau's field representatives, and they participated in 626 conferences.

There are now outstanding 246 common-carrier certificates, 54 contract-carrier permits, and 98 freight-forwarder permits.

Deep-sea common carrier operations continue to be far below the prewar level. Since our last report one general cargo carrier providing fortnightly sailings between Atlantic and Pacific ports has withdrawn from the intercoastal trade, and two carriers have been issued certificates authorizing institution of eastbound intercoastal operations in the transportation of general commodities and lumber, respectively. During the year there has been no substantial change in Atlantic and Pacific coastwise trades or in Great Lakes operations.

The inland waterways carriers, particularly those operating on the Mississippi River system and the Gulf Intracoastal Waterway, are enjoying steadily increasing business and have augmented their equipment to meet the demands of shippers for barge service. The Government-owned barge line, Inland Waterways Corporation, and a new corporation known as Federal Barge Line, Inc., have filed an application seeking approval of transfer to the latter of Inland's certificate which authorizes towing and barge service on the Mississippi River and certain connecting and tributary waterways. Under section 311 (b) of the act we have granted temporary approval of operation of Inland's properties by Federal pending determination of the transfer application.

Increasing interest is being manifested in the establishment of freight-forwarder operations which contemplate utilization of the services of barge operators on the Mississippi River system and the Gulf Intracoastal Waterway. In recent months one such operation has been instituted by a new forwarder which handles iron and steel from the Pittsburgh area to Houston. Two other similar operations have been proposed but determinations in connection with applications for permits have not yet been made.

Pending with the Commission is a petition, filed by Empire State Highway Transportation Association, Inc., seeking issuance of a proposed rule governing the practices of domestic water lines, relating to the loading or unloading of freight at piers in the New York Harbor area. Under the proposed rule water carriers subject to the Interstate Commerce Act would be required to assume full responsibility for operation of the piers which they occupy or engage, make freight readily available to the public without third party intervention, and provide loading and unloading services when requested at regularly scheduled rates.

Since 1947 we have recommended that part III of the act be amended by adding after section 312 a new section (312a) containing

provisions for revocation of water-carrier certificates or permits. The need therefor (discussed at pp. 50-51 of our annual report for 1947, and at pp. 53-54 of the report for 1949) still exists, and we are again recommending that part III be so amended.

In our annual report for 1952 and in previous reports, we have recommended that part IV of the act be amended so as to (1) make the exemption of shippers' associations and agents in section 402 (c) conditional, with authority in this Commission to revoke the exemption where it is found that any individual or group is not a bona fide shippers' agent or association, (2) give the Commission power to regulate consolidations, mergers, and acquisitions of control of freight forwarders; (3) terminate the exemption of forwarders of used household goods contained in section 402 (b) (2); and (4) relax the provisions of section 411 (c) by authorizing the Commission to permit departures therefrom upon a showing that neither public nor private interests will be adversely affected thereby. For the reasons stated in the prior reports, we are renewing these recommendations.

We continue to receive many complaints from shippers of household goods seeking our aid in connection with the practices of forwarders exempt by reason of section 402 (b) (2). In many cases the complaints indicate gross culpability on the part of nonregulated forwarders. Usually, the amount a shipper must pay to take delivery of his goods is greatly in excess of that estimated by the forwarder and includes charges for services not disclosed until the shipment is tendered for delivery at destination. There is a pressing need for regulation of forwarders of used household goods, who deal primarily with householders unfamiliar with shipping practices, and our recommendation that part IV be amended to terminate the exemption contained in section 402 (b) (2) deserves immediate consideration.

WORK OF THE COMMITTEE ON LEGISLATION AND RULES

The Committee on Legislation and Rules is the successor of the former Committees on Legislation and on Rules and Reports, and is continuing with the work formerly assigned to both of these Committees. The Committee responded to requests from committee chairmen and other members of the 83d Congress for reports on bills having a bearing on our administrative functions. In addition, it submitted reports to the Bureau of the Budget concerning legislative matters upon which that Bureau sought our views. Members of the Commission on various occasions appeared before congressional committees at their request for participation in hearings on pending bills and resolutions.

The Committee also has under consideration a proposed revision of the Commission's General Rules of Practice, discussed in the

section of this report entitled "Revision of Rules of Practice," page 71.

LEGISLATIVE RECOMMENDATIONS

1. We recommend that section 1 be amended so as to make the car-service provisions therein applicable to express companies.

2. We recommend that section 1 (15) be amended so as to authorize the Commission thereunder to determine the compensation to be paid and other terms of any contract, agreement, or arrangement for the use of any locomotive, car, or other vehicle not owned by the carrier using it (and whether or not owned by another carrier).

3. We recommend that section 15 (13) be amended so as to prohibit the payment of allowances to shippers for performance of their spotting service at industrial plants except by and with our approval in each individual instance.

4. We recommend that section 20 (6) be amended so as to make it applicable to persons who furnish locomotives to carriers subject to part I of the act.

5. We recommend that section 20a (2), requiring authorization by the Commission of the issuance of securities by certain common carriers and other corporations, be amended by including any contract for the purchase or lease of equipment not to be fully performed within 1 year from the date of the contract.

6. We recommend that section 20a (12) be amended so as to permit more extensive use of competitive bidding in the marketing of securities.

7. We recommend that section 20b be amended so as to permit controlled or controlling stockholders of a railroad corporation which is undergoing voluntary modification or alteration under that section to register their assent to such modification or alteration, subject to the power of the Commission to increase the prescribed percentage of assents required in such classes for approval of a proposed plan as it may deem just and reasonable in the light of circumstances presented in the particular case. We also recommend certain minor amendments to paragraphs (2) and (3) of section 20b described in the section of this report entitled "Voluntary Reorganizations," page 51.

8. We recommend that section 22 be amended so as to enable the United States and the carriers to bargain as to rates on a firm and dependable basis.

9. We recommend that section 25 be amended by making it also applicable to radio and other electronic devices intended to promote safety of railroad operation, as provided in S. 539 (83d Cong., 1st sess.), which was passed by the Senate on July 27, 1953.

10. We recommend that part III of the act be amended by adding after section 312 a new section (312a) containing provisions for revocation of water-carrier certificates or permits, as provided in H. R. 3792 (83d Cong., 1st sess.), which was passed by the House of Representatives on July 7, 1953.

11. We recommend that section 402 (b) (2) be amended so as to terminate the exemption of freight forwarders of used household goods.

12. We recommend that section 402 (c) be amended so as to make the exemption of shippers' associations and shippers' agents revocable by this Commission where it is found that the operation under consideration is not that of a bona fide association or agent as defined in that section.

13. We recommend that section 410 be amended so as to require the obtaining of a certificate of public convenience and necessity as a prerequisite to engaging in service as a freight forwarder.

14. We recommend that section 411 be amended to provide for the regulation of consolidations, mergers, and acquisitions of control of freight forwarders.

15. We recommend that section 411 (c) be amended so as to permit departures therefrom upon a showing that neither public nor private interests will be adversely affected thereby.

16. We recommend amendments adding new provisions which would make common carriers by motor vehicle and freight forwarders liable for the payment of damages in reparation awards to persons injured by them through violations of the act.

17. We recommend that the Commission be given emergency powers with respect to service by motor carriers and water carriers such as it now has with respect to car service by rail carriers.

18. We recommend that the Transportation of Explosives Act (62 Stat. L. 738-739) be amended so as to include specifically radioactive materials and to make contract carriers and private carriers engaged in interstate or foreign commerce subject to its provisions.

J. MONROE JOHNSON, *Chairman*.

CHARLES D. MAHAFFIE.

J. HADEN ALLDREDGE.

RICHARD F. MITCHELL.

HUGH W. CROSS.

JAMES K. KNUDSON.

KELSO ELLIOTT.

ANTHONY F. ARPAIA.

OWEN CLARKE.

HOWARD G. FREAS.

KENNETH H. TUGGLE.

APPENDIX A

SUMMARY OF INDICTMENTS, INFORMATIONS, AND COMPLAINTS PENDING IN UNITED STATES DISTRICT COURTS ON OCTOBER 31, 1953, CHARGING VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PARTS I, III, AND IV, THE ELKINS ACT, AND THE TRANSPOR- TATION OF EXPLOSIVES ACT

United States v. Baltimore & O. R. Co., district of Delaware. January 8, 1951, indictment charging offering, granting, and giving of concessions to General Motors Corp., through sale of plant site for a sum of money less than the cost thereof to defendant; 15 counts.

United States v. Calumet Cheese Co., Inc., eastern district of Wisconsin. June 2, 1949, information charging false billing of express shipments of cheese; 10 counts.

United States v. Chicago, M., St. P. & P. R. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order No. 876 (Revised); 15 counts.

United States v. Chicago, R. I. & P. R. Co., southern district of Iowa. October 27, 1953, information charging violations of the Elkins Act through failure to promptly present demurrage bills and collect demurrage charges within the maximum period of 15 days; 2 counts.

United States v. Columbia & Cowlitz Ry. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order No. 876 (Revised); 25 counts.

United States v. General Motors Corporation, district of Delaware. May 28, 1952, complaint in one count for recovery of the sum of \$404,973.84 received by defendant as a rebate and an offset against the regular charges for transportation; 1 count.

United States v. Great Northern Ry., western district of Washington, northern division. July 16, 1952, complaint alleging violations of Service Order No. 876 (Revised); 15 counts.

United States v. Kilgore Mfg. Co., district of New Jersey. July 10, 1951; indictment charging violations of the Commission's Explosives Regulations; 9,000 counts.

United States v. Norfolk Southern Ry. Co., eastern district of Virginia. April 28, 1953; complaint in one count alleging violation of the act through the issuance of free transportation to unauthorized persons; 1 count.

United States v. Northern Pac. Ry. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order 876 (Revised); 20 counts.

United States v. Oregon Electric Ry., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 5 counts.

United States v. Oregon, P. & E. Ry. Co., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 5 counts.

United States v. Pennsylvania R. Co., northern district of Illinois. July 3, 1953, complaint alleging violations of Service Order No. 866; 20 counts.

United States v. Southern Pac. Co., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 20 counts.

United States v. Spokane, Portland & Seattle Ry. Co., district of Oregon. July 11, 1952, complaint alleging violations of Service Order No. 876 (Revised); 5 counts.

United States v. Union Pac. R. Co., western district of Washington. June 19, 1952, complaint alleging violations of Service Order No. 876 (Revised); 10 counts.

United States v. Union Pac. R. Co., district of Nevada. July 24, 1953, information charging violations of the Commission's Regulations Governing the Transportation of Explosives; 4 counts.

SUMMARY OF DISPOSITION, DURING THE YEAR, NOVEMBER 1, 1952, TO OCTOBER 31, 1953, OF INDICTMENTS RETURNED AND INFORMATION AND COMPLAINTS FILED IN THE UNITED STATES DISTRICT COURTS, CHARGING VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PARTS I, III, AND IV, THE ELKINS ACT, AND THE TRANSPORTATION OF EXPLOSIVES ACT

United States v. A. B. C. Freight Forwarding Co., southern district of New York, information in 10 counts charging defendant with knowingly soliciting, accepting, and receiving concessions on free loading of cars. December 22, 1952, plea of guilty to three counts and remaining counts dismissed by court. Fine of \$3,000 imposed but fine remitted by court on request of defendant. May 25, 1953, on our motion sentence corrected to require payment of \$3,000 fine.

United States v. American Smelting and Refining Co., western district of Texas, information in 10 counts charging failure to pay demurrage charges. October 14, 1953, trial by jury resulted in directed verdict of not guilty.

United States v. Atchison, Topeka and Santa Fe Ry. Co., southern district of California, northern division, information in 15 counts charging unlawful extension of credit on freight charges. March 2, 1953, plea of *nolo contendere* to three counts and fine of \$3,000 imposed. Remaining counts dismissed.

United States v. Baltimore & O. R. Co., southern district of New York, information in 10 counts charging defendant with unlawfully granting and giving concessions through the device of furnishing free carloading service. December 22, 1952, plea of guilty to three counts and remaining counts dismissed by court. Fine of \$3,000 imposed but fine remitted by court on request of defendant. May 25, 1953, on our motion sentence corrected to require payment of \$3,000 fine.

United States v. Chicago & N. W. Ry. Co., Chicago, M., St. P. & P. R. Co., and Minneapolis, St. P. & S. S. M. R. Co., eastern district of Wisconsin, informations in 10 counts as to each carrier charging them with unlawfully and knowingly offering, granting, and giving concessions on demurrage charges. July 9, 1953, trial by jury of consolidated cases resulted in verdict of not guilty.

United States v. Chicago (real Western Ry. Co.), northern district of Iowa, complaint in 30 counts alleging violations of Service Order No. 866. December 12, 1952, confession of judgment in the sum of \$3,000.

United States v. Chicago, R. I. & P. R. Co., northern district of Iowa, complaint in 33 counts alleging violations of Service Order No. 866. February 5, 1953, confession of judgment in the sum of \$2,800 on 28 counts. Remaining counts dismissed.

United States v. Chicago, R. I. & P. R. Co., northern district of Texas, information in 20 counts charging failure to strictly observe demurrage tariff and granting concessions through unlawful extension of credit. February 20, 1953, plea of guilty to first 10 counts and fine of \$10,000 imposed. Remaining counts dismissed.

United States v. Detroit and Toledo Shore Line R. Co., northern district of Ohio, information in two counts charging violations of the Commission's Regulations Governing the Transportation of Explosives. September 18, 1953, plea of guilty entered and fine of \$500 imposed.

United States v. Granite City Steel Co., southern district of Illinois, information in 20 counts charging defendant with knowingly soliciting, accepting and receiving concessions on demurrage charges. May 5, 1953, plea of *nolo contendere* to first 15 counts and fine of \$15,000 imposed. Remaining counts dismissed.

United States v. Illinois Northern Ry., northern district of Illinois, complaint in 30 counts alleging violations of Service Order No. 866. July 1, 1953, judgment by confession entered in the sum of \$2,000.

United States v. Meseck Steamboat Co., Inc., district of New Jersey, information in four counts charging defendant with knowingly and willfully engaging in interstate transportation as a common carrier in violation of the act. January 30, 1953, court imposed a fine of \$250 upon each of four counts.

United States v. Newark Paraffine and Parchment Paper Co., district of New Jersey, information in nine counts charging defendant with false billing of shipments via water carrier. February 27, 1953, plea of *nolo contendere* to four counts and fine of \$4,000 imposed. Remaining counts dismissed.

United States v. Newark Paraffine and Parchment Paper Co., district of New Jersey, information in 12 counts charging defendant with false billing of shipments

via rail carrier. February 27, 1953, plea of *nolo contendere* to six counts and fine of \$6,000 imposed. Remaining counts dismissed.

United States v. New York Central R. Co., northern district of Ohio, western division, complaint in five counts alleging violations of Service Order No. 866. December 16, 1952, judgment filed in the amount of \$350, consisting of \$100 on each, counts 1 and 3 and \$150 on count 5. Remaining counts dismissed.

United States v. Panhandle and Santa Fe Ry. Co., western district of Texas, information in 10 counts charging defendant with knowingly failing to assess and collect demurrage charges. June 10, 1953, plea of guilty to all counts and fine of \$10,000 imposed.

United States v. Panhandle and Santa Fe Ry. Co., western district of Texas, complaint in 20 counts alleging violations of Service Order No. 866. June 10, 1953, judgment in the amount of \$2,000.

United States v. Pennsylvania R. Co., southern district of Ohio, eastern division, complaint in 31 counts alleging violations of Service Order No. 869 at Zanesville, Ohio. June 19, 1953, judgment entry filed on counts 1 to 10 in the amount of \$1,000 penalty and costs. Remaining 21 counts dismissed.

United States v. Pennsylvania R. Co., southern district of Ohio, eastern division, complaint in 20 counts alleging violations of Service Order No. 869 at Gambier, Ohio. June 19, 1953, judgment entry filed on counts 1 to 10 in the amount of \$1,000 penalty and costs. Remaining 10 counts dismissed.

United States v. Pennsylvania R. Co., western district of Pennsylvania, complaint in 10 counts alleging violations of Service Order No. 869 at Summersville and Duffs Jct., Pa. July 13, 1953, order issued fixing penalty for each offense at \$100, for a total penalty of \$1,000, plus costs.

United States v. Pennsylvania R. Co., northern district of Ohio, complaint in 10 counts alleging violations of Service Order No. 869 at Port Washington and Newcomerstown, Ohio. July 23, 1953, judgment for plaintiff for \$100 on each of 10 counts for a total of \$1,000 and costs.

United States v. Pennsylvania R. Co., northern district of Ohio, complaint in 10 counts alleging violations of Service Order No. 869 at Barberton, Ohio. July 23, 1953, judgment for plaintiff for \$100 on each of 10 counts for a total of \$1,000, and costs.

United States v. Pennsylvania R. Co., northern district of Ohio, complaint in 19 counts alleging violations of Service Order No. 869 at Mansfield, Ohio. July 23, 1953, judgment for plaintiff for \$100 on each of the first 10 counts for a total of \$1,000, and costs. Remaining counts dismissed.

United States v. Pennsylvania R. Co., northern district of Ohio, complaint in five counts alleging violations of Service Order No. 869 at East Palestine, Ohio. July 23, 1953, judgment for plaintiff for \$200 on each of five counts for a total of \$1,000, and costs.

United States v. Pennsylvania R. Co., northern district of Ohio, complaint in 14 counts alleging violations of Service Order No. 869 at Waynesburg, Ohio. July 23, 1953, judgment for plaintiff for \$100 on each of the first 10 counts for a total of \$1,000, and costs. Remaining counts dismissed.

United States v. Pennsylvania R. Co., northern district of Ohio, complaint in 19 counts alleging violations of Service Order No. 869 at Minerva, Ohio. July 23, 1953, judgment for plaintiff for \$100 on each of the first 10 counts for a total of \$1,000, and costs. Remaining counts dismissed.

United States v. Southern Ry. Co., a corporation, and Shepard S. Lewis, western district of North Carolina, information in two counts charging defendants with falsification of records relating to personal injury to an employee. November 17, 1952, plea of *nolo contendere* entered and fine of \$5,000 imposed on the corporation and \$100 on the individual defendants.

United States v. Southern Pac. Co., district of Oregon, complaint in 25 counts alleging violations of Service Order No. 859. January 19, 1953, judgment entered in the sum of \$2,500, together with costs.

United States v. Southern Pac. Co., southern district of California, northern division, information in 15 counts charging defendant with granting unlawful extension of credit on freight charges. March 2, 1953, plea of *nolo contendere* on counts 1, 2 and 3, and fine of \$3,000 imposed. Remaining 12 counts dismissed.

United States v. Texas Ice and Refrigerating Co., and J. W. Harding, northern district of Texas, information in 11 counts charging defendants with placing of contraband in shipments of eggs in refrigerator cars for export. July 20, 1953, plea of *nolo contendere* to all counts of the information and fine of \$11,000 imposed on joint defendants.

APPENDIX B

SUMMARIES SHOWING ACTION TAKEN SINCE THE PERIOD COVERED BY THE LAST ANNUAL REPORT WITH RESPECT TO CASES INVOLVING ORDERS AND REQUIREMENTS OF THE COMMISSION, AND STATUS ON OCTOBER 31, 1953, OF CASES PENDING IN THE COURTS

CASES DECIDED BY THE COURTS SINCE OCTOBER 31, 1952

SUPREME COURT OF THE UNITED STATES

United States v. Tucker Truck Lines, Inc.

For case history see 1952 Annual Report, page 160. On November 10, 1952, judgment was reversed on question of hearing examiner, and case remanded to district court for determination on the merits (344 U. S. 33).

Chicago and North Western Ry. Co. v. United States.

For case history see 1952 Annual Report, page 156. On November 10, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 871 and 900).

Copperweld Steel Co. v. United States.

For case history see 1952 Annual Report, page 156. On November 10, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 871 and 900).

W. J. Dillner Transfer Co. v. United States.

For case history see 1952 Annual Report, page 155. On November 17, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 883).

Interstate Commerce Commission et al. v. United States.

For case history see 1952 Annual Report, pages 154 and 161. On November 24, 1952, petition for certiorari was denied (344 U. S. 893).

King v. United States.

For case history see 1952 Annual Report, page 161. On December 22, 1952, the Commission's order was sustained (344 U. S. 254 and 936).

Northern Pacific Ry. Co. v. Montana.

For case history see 1952 Annual Report, page 157. On December 22, 1952, the judgment of the District Court setting aside Commission's order was vacated, and the case remanded to the District Court for reconsideration (344 U. S. 905 and 923).

Newtex Steamship Corp. v. United States.

For case history see 1952 Annual Report, page 158. On November 17, 1952, the case was docketed on appeal to the Supreme Court, and on December 15, 1952, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 901).

Chicago & Eastern Illinois R. Co. v. United States.

For case history see 1952 Annual Report, page 157. On January 12, 1953, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 917).

Eastern Motor Express, Inc. v. United States.

For case history see 1952 Annual Report, page 155. On January 12, 1953, the Commission's order was sustained (344 U. S. 298).

American Trucking Asso., Inc. v. United States.

For case history see 1952 Annual Report, page 155. On January 12, 1953, the Commission's order was sustained (344 U. S. 298).

Herrin Transportation Co., Inc. v. United States.

For case history see 1952 Annual Report, page 158. On December 12, 1952, the case was docketed on appeal to the Supreme Court, and on February 2, 1953, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 925).

Malone Freight Lines, Inc. v. United States.

For case history see 1952 Annual Report, page 163. On December 15, 1952, the case was docketed on appeal to the Supreme Court, and on February 2, 1953, motion to affirm of United States and Interstate Commerce Commission was granted (344 U. S. 925).

Ramspeck v. Trial Examiners Conference.

For case history see 1952 Annual Report, page 154. On March 9, 1953, decision of lower court was reversed and certain regulations of the Civil Service Commission pertaining to appointment, tenure, and compensation of hearing examiners sustained (345 U. S. 128).

Baltimore & Ohio R. Co. v. United States.

For case history see 1952 Annual Report, page 157. On August 16, 1952, the case was docketed on appeal to the Supreme Court, and on March 16, 1953, the Commission's order was sustained (345 U. S. 146).

The Callanan Road Improvement Co. v. United States.

For case history see 1952 Annual Report, page 158. On December 12, 1952, the case was docketed on appeal to the Supreme Court, and on May 4, 1953, the Commission's order was sustained (345 U. S. 507).

Wales, dba Wales Trucking Co. v. United States.

For case history see 1952 Annual Report, page 164, and page 153, this volume. On April 16, 1953, the case was docketed on appeal to the Supreme Court and motion to affirm of United States and the Commission filed. On May 18, 1953, the motion to affirm was granted (345 U. S. 954).

New York, New Haven & Hartford R. Co. v. Nothnagle.

On petition for writ of certiorari to Supreme Court of Errors, State of Connecticut, wherein that court held that, despite a tariff on file with the Interstate Commerce Commission, attempting to limit carrier's liability for loss of baggage, unless a higher value carrying a higher rate was declared in writing, the passenger was entitled to recover full stipulated actual loss of her baggage. On March 9, 1953, petition for writ of certiorari was granted, and the Court requested a brief on behalf of the Commission *amicus curiae*. The brief was filed on April 21, 1953, and on June 8, 1953, the Commission's conclusions were sustained (346 U. S. 128).

Dart Transit Co. v. Interstate Commerce Commission.

For case history see 1952 Annual Report, page 167, and page 155, this volume. On May 15, 1953, the case was docketed on appeal to the Supreme Court, and motion to affirm of United States and the Commission filed. On June 15, 1953, the motion to affirm was granted (345 U. S. 980).

Atlantic Coast Line R. Co. v. South Carolina Ex Rel Public Service Comm. of South Carolina.

Petition for writ of certiorari seeking a review of the decision of Supreme Court of South Carolina, dated September 5, 1952, requiring petitioners to rebuild the union station at Charleston, S. C., destroyed by fire, and to restore the passenger service formerly accorded at that station. On December 12, 1952, petition for writ of certiorari was filed (72 S. E. (2d) 438), and on February 3, 1953, the Supreme Court requested brief on behalf of the Commission, on questions presented. On March 5, 1953, brief on behalf of the Commission was filed, and on March 16, 1953, petition for writ of certiorari was denied (345 U. S. 916).

Houston Fire & Casualty Insurance Co. v. United States.

For case history see page 153, this volume (346 U. S. 803).

DISTRICT COURTS OF THE UNITED STATES

L. E. (Prince) Wales, dba Wales Trucking Co. v. United States, northern district of Texas, Dallas division.

For case history see 1952 Annual Report, page 164. On December 27, 1952, the Commission's order was sustained (108 F. Supp. 928), and on April 16, 1953, the case was docketed on appeal to the Supreme Court. On May 18, 1953, motion to affirm of United States and Interstate Commerce Commission was granted. (345 U. S. 954).

Ace Doran Hauling & Rigging Co. v. United States, southern district of Ohio, western division.

For case history see 1952 Annual Report, page 166. On December 20, 1952, the Commission's order was sustained, and on March 13, 1953, the case was discontinued because not appealed within the time prescribed by law.

Houston Fire & Casualty Insurance Co. v. United States, northern district of Texas, Fort Worth division.

Suit to set aside and enjoin order of Division 5, dated June 5, 1952, affirmed by entire Commission on October 6, 1952, wherein the Commission declined to further

accept certificates of insurance, from complainant, as security for the protection of the public, when filed in behalf of motor carriers under section 215, Interstate Commerce Act, unless and until financial statement of Inland Investment Co., and satisfactory explanations of certain financial transactions are received from their management. On November 4, 1952, the complaint was filed, on February 11, 1953, the Commission's order was sustained (115 F. Supp. 579), on April 21, 1953, final decree was entered dismissing the complaint, and on July 16, 1953, the case was docketed on appeal to the Supreme Court. On October 12, 1953, motion to affirm of U. S. and I. C. C., was granted (346 U. S. 803).

Converse v. United States, northern district of California, southern division.

For case history see 1952 Annual Report, page 167. On January 20, 1953, the Commission's order was sustained, (109 F. Supp. 807), and on April 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

Georgia Peanut Co., Inc. v. United States, middle district of Georgia, Albany division.

For case history see 1952 Annual Report, page 164. On February 4, 1953, the Commission's order was sustained, (110 F. Supp. 556) and on April 6, 1953, the case was discontinued because not appealed within the time prescribed by law.

Coastal Tank Lines, Inc. v. United States, District of Columbia.

For case history see 1950 Annual Report, page 138. On February 10, 1953, the Commission's order was sustained, and on August 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

Smith's Transfer Corp. v. United States, western district of Virginia, Harrison-burg division.

For case history see 1952 Annual Report, page 165. On March 5, 1953, the Commission's order was set aside, and on July 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

Illinois-California Express, Inc. v. United States, district of Colorado.

For case history see 1952 Annual Report, p. 160. On March 18, 1953, the court entered its decree dismissing the complaint on stipulation of the parties.

Denver-Chicago Trucking Co., Inc. v. United States, district of Colorado.

For case history see 1952 Annual Report, page 164. On March 7, 1953, the court entered its decree dismissing the complaint on stipulation of the parties.

Denver-Chicago Trucking Co., Inc. v. Interstate Commerce Commission, district of Colorado.

For case history see 1952 Annual Report, page 165. On March 7, 1953, the court entered its decree dismissing the complaint on stipulation of the parties.

Monumental Motor Tours, Inc. v. United States, district of Maryland.

For case history see 1952 Annual Report, page 164. On March 9, 1953, the Commission's order was sustained and complaint dismissed (110 F. Supp. 929), and on May 25, 1953, the case was discontinued because not appealed within the time prescribed by law.

United Transports, Inc. v. United States, western district of Texas, San Antonio division.

For case history see 1952 Annual Report, page 162. On March 11, 1953, the Commission's order was sustained and on July 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

Martin Bros. Box Co. v. United States, district of Oregon.

For case history see 1952 Annual Report, page 162. On May 15, 1953, the Commission's order was held invalid. On October 12, 1953, an appeal was docketed in the Court of Appeals, Ninth Circuit. On October 30, 1953, designation of record and statement of points to be relied upon was filed by the Commission.

Riss & Co. v. United States, western district of Missouri.

For case history see 1952 Annual Report, page 166. On May 7, 1953, the Commission's order was sustained, and on October 1, 1953, the case was docketed on appeal to the Supreme Court.

Atwood's Transport Lines, Inc. v. United States, District of Columbia.

Suit to set aside Commission's report on further hearing, February 5, 1951, and order of November 3, 1952, in Docket No. MC-1508 (Sub-No. 13), *Richmond Greyhound Lines, Inc., Extension—Lexington Park, Md.*, amplifying and affirming findings in prior report, 52 M. C. C. 443, that public convenience and necessity require operation by applicant as a common carrier by motor vehicle of passengers, and their baggage, and of express, mail, and newspapers, in the same vehicle with passengers, between a described point near Mechanicsville, Md.,

and Lexington Park, Md., over Maryland Highway 235, as an alternate route for operating convenience only, serving no intermediate points. Prior reports, 46 M. C. C. 804, 47 M. C. C. 826, 49 M. C. C. 812, and 51 M. C. C. 801. On March 31, 1953, the complaint was filed, and on June 5, 1953, the Commission's order was sustained. On August 6, 1953, the case was discontinued because not appealed within the time prescribed by law.

State of Tennessee et al. v. United States, middle district of Tennessee, Nashville division.

For case history see 1952 Annual Report, page 167. On May 18, 1953, findings of fact and conclusions of law, sustaining Commission's order were entered by court (113 F. Supp. 634), and on October 8, 1953, the case was docketed on appeal to the Supreme Court.

State of Montana et al. v. United States, district of Montana, Helena division.

Suit to set aside Commission's report of February 4, 1952 and order of May 20, 1952, in Docket No. 30674, *Montana Intrastate Freight Rates and Charges*, 284 I. C. C. 167, finding that intrastate freight rates in Montana cause unjust discrimination against interstate commerce, undue preference of and advantage to certain persons and localities in intrastate commerce, and undue prejudice and disadvantage to certain persons and localities in interstate commerce. On May 27, 1952, the complaint was filed, on August 13, 1952, the Commission's order was set aside, and, upon appeal to the Supreme Court, that Court, on December 22, 1952, sustained the Commission's order, vacated judgment of the District Court, and remanded action to said court for reconsideration (344 U. S. 905). On June 24, 1953, the Commission's order was sustained, and on August 31, 1953, the case was discontinued because not appealed within the time prescribed by law.

Michigan Motor Freight Lines, Inc. v. United States, eastern district of Michigan.

For case history see 1952 Annual Report, page 166. On June 30, 1953, the Commission's report and order was sustained in part and reversed in part (113 F. Supp. 812).

Illinois-California Express, Inc. v. United States, district of Colorado.

Suit to set aside Commission's order of May 22, 1952, in Docket No. MC-108461 (Sub-No. 30-TA), *Application of Whitfield Transportation, Inc., LaCruces, N. M.*, granting Whitfield Transportation, Inc., temporary authority to transport general commodities, with certain exceptions, between Ogden, Utah, and Albuquerque, N. M., over specified routes. On December 17, 1952, the complaint was filed, on March 18, 1953, the court entered its decree sustaining the Commission's order, and on July 31, 1953, the case was dismissed by the court, with prejudice, at plaintiff's costs.

Dart Transit Co. v. United States, district of Minnesota, fourth division.

For case history see 1952 Annual Report, page 167. On March 20, 1953, the court entered its decree sustaining the Commission's order (110 F. Supp. 876), and on June 15, 1953, the Supreme Court granted the motion to affirm of United States and the Commission (345 U. S. 980).

A. C. E. Transportation Co., Inc. v. United States, northern district of Ohio, eastern division.

For case history see 1952 Annual Report, page 163. On April 15, 1953, the Commission's order was sustained, and on July 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

West York Coach Lines, Ltd. v. United States, northern district of Ohio, eastern division.

For case history see 1952 Annual Report, pages 162-163. On April 2, 1953, the court entered its decree sustaining the Commission's order and on August 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

Great Northern Ry. Co. v. United States, district of Minnesota, fourth division.

For case history see 1952 Annual Report, page 153. On January 29, 1953, the case was argued and submitted for decision on remand to the District Court, and on April 17, 1953, the Commission's order was sustained (111 F. Supp. 450). On June 30, 1953, the case was discontinued because not appealed within the time prescribed by law.

The Baltimore Transfer Co. et al. v. United States, district of Maryland.

For case history see 1952 Annual Report, page 165. On June 30, 1953, the Commission's order was sustained (114 F. Supp. 558).

Mid States Trailer Transport, Inc. v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's orders dated March 21, 1949, September 17, 1951, April 21, 1952, September 15, 1952, and December 24, 1952, in Docket No. MC-106297 (Sub-No. 17), *Mid States Trailer Transport, Inc., Extension—Union City, Mich.*, affirming findings in prior report, 49 M. C. C. 868, that public convenience and necessity did not require operation by applicant as a common carrier by motor vehicle of trailers designed to be drawn by passenger automobiles in initial movements in truckaway service from Union City, Mich., to all points in the United States. On January 9, 1953, the complaint was filed, and on June 29, 1953, the Commission's order was sustained. On September 17, 1953, final decree was entered.

Atlanta-New Orleans Motor Freight Co. v. United States, northern district of Georgia, Atlanta division.

Suit to set aside Commission's report on reconsideration, dated February 16, 1953, in Docket No. MC-75840 (Sub-No. 88), *Malone Freight Lines, Inc., Extension-Textiles* (61 M. C. C. 501), wherein the Commission modified findings in the prior report of Division 5, dated April 30, 1952, and by this report found that public convenience and necessity require operation by applicant as a common carrier by motor vehicles of textiles and textile products, over irregular routes, from points in a defined area in Georgia, to points in six eastern states and points in New York State. On April 20, 1953, the complaint was filed, and on August 10, 1953, the Commission's order was sustained. August 21, 1953, final decree entered.

Wilson Bros. v. United States, western district of Missouri.

Suit to set aside Commission's order of October 6, 1952, in Docket No. MC-111290 (Sub-No. 7), *Wilson Extension—Dairy Products*, 61 M. C. C. 51, denying to plaintiffs authority to operate as a contract carrier by motor vehicle, of described refrigerated commodities from certain named points in the middle west to practically all points in southeastern territory. On December 10, 1952, the complaint was filed, and on August 24, 1953, the Commission's order was set aside and the case remanded to the Commission (114 F. Supp. 814).

L. O. Benton, Jr. v. United States, middle district of Georgia, Macon division.

Suit to set aside Commission's report on further hearing; dated March 2, 1953, in F. D. No. 17217, *South Western R. Co. Control* (282 I. C. C. 714) (previous report 282 I. C. C. 359), approving and authorizing, subject to conditions, acquisition of control by Central of Georgia Ry. Co., of South Western R. Co., through purchase of a majority of capital stock at the price offered in the depository agreement dated January 1, 1951. On March 20, 1953, the complaint was filed, and on August 24, 1953, the Commission's order was sustained and the complaint dismissed (114 F. Supp. 37).

Florida Citrus Commission et al. v. United States, southern district of Florida, Orlando division.

Suit to set aside Commission's report and order of May 7, 1952, in I. and S. Docket No. 5500, *Unloading Charges on Fruits & Vegetables at New York and Philadelphia*, 286 I. C. C. 119 (prior report 272 I. C. C. 648), wherein the Commission modified upon further hearing its findings in the prior report, that the proposed unloading charges on fresh fruits and vegetables, in carloads, at New York, N. Y., and Philadelphia, Pa., were just and reasonable, and further found that schedules naming the unloading charge should be canceled without prejudice to establishment of charges in conformity with findings in the report on reconsideration. On March 3, 1953, the complaint was filed, and on August 31, 1953, the Commission's order was sustained (114 F. Supp. 420). On October 28, 1953, appeal to Supreme Court allowed.

Arrowhead Freight Lines, Ltd. v. United States, southern district of California, central division.

Suit to set aside Division 5's report and cease and desist order of October 17, 1952, in Docket No. MC-C-1052, *Transportation Activities of Arrowhead Freight Lines, Ltd.*, 61 M. C. C. 131 (petition for rehearing denied by entire Commission on March 16, 1953), finding that plaintiff's presently effective certificate, dated August 23, 1946, does not require correction by substituting therein the term "express" in lieu of the term "general commodities moving in express service", and further finding that plaintiff is, and has been holding itself out to the general public to engage in certain unauthorized operations between Weiser, Idaho, and Salt Lake City, Utah, and directing plaintiff to cease and desist from such unauthorized operations. On April 7, 1953, the complaint was filed, and on August 31, 1953, the Commission's order was set aside (114 F. Supp. 804). On October 19, 1953, the case was discontinued, the Commission having voted not to appeal.

Great Lakes Steel Corp. v. United States, eastern district of Michigan.

For case history see 1950 Annual Report, page 137. On June 25, 1953, at the court's request, the case was reargued and submitted for decision, and on September 29, 1953, the Commission's order was sustained (115 F. Supp. 31). On October 26, 1953, notice of appeal to Court of Appeals, Sixth Circuit, was given.

Arrowhead Freight Lines, Ltd. v. United States, southern district of California, central division.

For case history see 1952 Annual Report, page 166. On September 23, 1953, the Commission's order was sustained (115 F. Supp. 537). On October 26, 1953, the final decree was entered.

Coyle Lines, Inc., et al. v. United States, eastern district of Louisiana, New Orleans Division.

Suit to set aside Division 4's report and order of April 10, 1953, (petition for reconsideration denied by entire Commission on July 20, 1953), in Docket No. W-923 (Sub-No. 3), *Gulf-Canal Lines, Inc., Extension and Removal of Limitation* (285 I. C. C. 291), finding public convenience and necessity with respect to applicant's extension of operations as a common carrier by self-propelled vessels, and by non-self-propelled vessels, with the use of separate towing vessels, in the transportation of commodities generally, without limitation between ports and points along the Gulf Intracoastal Waterway, from Mobile, Ala., to Brownsville, Tex., inclusive. On August 6, 1953, the complaint was filed, and on September 25, 1953, the Commission's order was sustained (115 F. Supp. 272).

Cantlay & Tanzola, Inc. v. United States, northern district of California.

Suit to set aside Commission's report of January 12, 1953, in I. and S. Docket No. 6010, *Petroleum, Los Angeles and El Paso to Arizona and New Mexico* (287 I. C. C. 731), finding proposed reduced rates on petroleum products, in tank car loads, from El Paso, Tex., and Los Angeles, Calif., basin points to Tucson and Phoenix, Ariz., and intermediate and related points, just and reasonable. On February 4, 1953, the complaint was filed, and on September 24, 1953, the Commission's order was held invalid (115 F. Supp. 72). On October 23, 1953, final decree was entered.

Hughes Transportation Co., Inc. v. United States, eastern district of South Carolina, Charleston division.

For case history see page 164, this volume.

Acme Fast Freight, Inc. v. United States, district of Delaware.

For case history, see page 162, this volume.

Bowen Transports, Inc. v. United States, eastern district of Illinois, eastern division.

For case history, see page 163, this volume.

Tucker Truck Lines, Inc. v. United States, eastern district of Missouri, eastern division.

For case history, see 1952 Annual Report, page 160, and page 152, this volume.

On October 20, 1953, the Commission's order was held invalid by the lower court, on remand, with respect to authorized operations between St. Louis, Mo., and Sikesville, Mo. (115 F. Supp. 647).

Doehla Greeting Cards, Inc. v. Summerfield, et al., District of Columbia.

For case history, see page 166, this volume.

CASES CONCLUDED

DISTRICT COURTS OF THE UNITED STATES

F. M. Carlsen, etc., President, Joint Executive Committee of Bergen and Rockland County Commuters Assns. v. United States, southern district of New York.

For case history see 1952 Annual Report, page 164. On December 2, 1952, the case was discontinued because not appealed within the time prescribed by law.

Jack Cole Co., Inc. v. United States, northern district of Alabama, southern division.

For case history see 1952 Annual Report, page 161. On December 27, 1952, the case was discontinued because not appealed within the time prescribed by law.

John V. Kenney et al. v. United States, district of New Jersey.

For case history see 1952 Annual Report, page 155. On January 5, 1953, the case was discontinued because not appealed within the time prescribed by law.

Middle Atlantic States Motor Carrier Conference, Inc. v. United States, district of Delaware.

For case history see 1946 Annual Report, page 136. On February 7, 1953, the case was dismissed by the court on stipulation of the parties.

John A. Clarke & Atwood's Transport Lines, Inc. v. United States, District of Columbia.

For case history see 1952 Annual Report, page 162. On November 10, 1952, the court entered an order dismissing the case.

Ace Doran Hauling & Rigging Co. v. United States, southern district of Ohio, western division.

For case history see page 153, this volume.

Lee County Chamber of Commerce et al. v. United States, southern district of Florida, Tampa division.

Suit to set aside Commission's report and order of August 26, 1952, effective November 18, 1952, in F. D. No. 17398, *Seaboard Air Line R. Co., Abandonment*, (unreported) authorizing Seaboard to cease operations 40 days from date, and to abandon 64.96 miles of its lines of railroad in De Soto, Charlotte, and Lee Counties, in Florida. On November 17, 1952, the complaint was filed, and on December 12, 1952, the case was dismissed by the court on stipulation of the parties.

R. N. B. Converse, dba Converse Trucking Service v. United States, northern district of California, southern division.

For case history see 1952 Annual Report, page 167. On January 22, 1953, final decree, sustaining the Commission's order was entered, and on April 1, 1953, the case was discontinued because not appealed within the time prescribed by law.

Georgia Peanut Co., Inc. v. United States, middle district of Georgia, Albany division.

For case history see 1952 Annual Report, page 164. On February 4, 1953, the Commission's order was sustained (110 F. Supp. 556), and on April 6, 1953, the case was discontinued because not appealed within the time prescribed by law.

B. J. Hilton, dba Hilton Bros. v. United States, western district of Arkansas, Fayetteville division.

Suit to set aside and temporarily restrain the Commission from putting into effect its order of September 15, 1952, in Docket MC-77596 (Sub-No. 1), renumbered and reentitled MC-51891 (Sub-No. 4), *Hilton Bros. Extension of Operations—Six States*, and permanently enjoin Commission's report of September 15, 1952, affirming finding in a prior report, 41 M. C. C. 862, holding applicant had failed to establish that present or future public convenience and necessity require proposed operations as a common carrier by motor vehicle of packinghouse products from Wichita, Kans., to Memphis, Tenn., and to points in Louisiana and Mississippi. On November 11, 1952, the complaint was filed, and on April 15, 1953, the case was discontinued because a new complaint involving same issues was filed in court.

Arrow Transportation Co. of Delaware v. United States, district of Oregon.

For case history see 1952 Annual Report, page 165. On February 25, 1953, the case was dismissed by the court on stipulation of the parties.

Ellsworth Freight Lines, Inc. v. United States, northern district of Iowa, central division.

Suit to set aside Commission's order of December 27, 1951, affirmed by order of entire Commission on January 6, 1953, in Docket No. MC-82757, *R. N. Ellsworth, dba Ellsworth Sales Co., Eagle Grove, Iowa*, finding that applicant's authority to transport candy and confectionery from Brooklyn, N. Y., and Hoboken, N. J., to Chicago, Ill., by motor vehicle over irregular routes, did not authorize it to transport individual ingredients and materials going into candy and confectionery. On February 9, 1953, the complaint was filed, and on April 7, 1953, the complaint was dismissed by the court on plaintiff's motion.

John A. Clarke, Atwood's Transport Lines, Inc. v. United States, District of Columbia.

For case history see 1951 Annual Report, page 164. On April 1, 1953, the case was concluded, the Commission having decided not to appeal.

Briggs Transfer Co. v. United States, western district of Wisconsin.

For case history see 1952 Annual Report, page 163. On May 13, 1953, the complaint was dismissed by the court on motion of the parties.

W. Thurman Shaylor, Guardian v. United States, western district of Oklahoma.

For case history see 1952 Annual Report, page 166. On May 18, 1953, an order was entered by the court dismissing complaint on motion of plaintiff, due to the issues having been settled between the parties.

Monumental Motor Tours, Inc. v. United States, district of Maryland.

For case history see page 154, this volume.

Atwood's Transport Lines, Inc. v. United States, District of Columbia.

For case history see page 154, this volume.

Great Northern Ry. Co. v. United States, district of Minnesota, fourth division.

For case history see page 155, this volume.

Middle Atlantic States Motor Carrier Conference, Inc. v. United States, district of Delaware.

For case history see 1946 Annual Report, page 136. On August 1, 1953, the case was discontinued for lack of prosecution.

Coastal Tank Lines, Inc. v. United States, District of Columbia.

For case history see page 154, this volume.

West York Coach Lines, Ltd. v. United States, northern district of Ohio, eastern division.

For case history see page 155, this volume.

State of Montana et al. v. United States, district of Montana, Helena Division.

For case history see page 155, this volume.

Denver-Chicago Trucking Co., Inc. v. United States, district of Colorado.

For case history see page 154, this volume.

Denver-Chicago Trucking Co., Inc. v. United States, district of Colorado.

For case history see 1952 Annual Report, page 164. On March 7, 1953, the case was dismissed by the court on stipulation of the parties.

Illinois-California Express, Inc. v. United States, district of Colorado.

For case history see page 154, this volume.

Illinois California Express, Inc. v. United States, district of Colorado.

For case history see page 155, this volume.

Illinois-California Express, Inc., et al. v. United States, district of Colorado.

Suit to set aside Commission's report of January 16, 1952, in Docket No. MC-70451 (Sub-No. 100), *Watson Bros. Transportation Co., Inc., Extension—Points Within 25 Miles of Phoenix, Ariz.* (53 M. C. C. 808) finding public convenience and necessity require operation by Watson Bros. as a common carrier by motor vehicle of general commodities, with exceptions, over specified routes (1) between Phoenix, Ariz., and Holbrook, Ariz., and Durango, Colo.; (2) between Phoenix, Ariz., and Holbrook, Ariz., and (3) between Shiprock, N. Mex., and Durango, Colo., serving all intermediate and certain off-route points. (Reconsideration denied by entire Commission June 2, 1952.) On February 5, 1953, the complaint was filed, and on July 31, 1953, case was dismissed by the court, with prejudice, to plaintiffs' costs.

Smith's Transfer Corp. v. United States, western district of Virginia, Harrisonburg division.

For case history see 1952 Annual Report, page 165, and page 154, this volume.

United Transports, Inc. v. United States, western district of Texas, San Antonio division.

For case history see 1952 Annual Report, page 162, and page 154, this volume.

A. C. E. Transportation Co., Inc. v. United States, northern district of Ohio, eastern division.

For case history see 1952 Annual Report, page 163, and page 155, this volume.

B. J. Hilton, dba Hilton Bros. v. United States, western district of Arkansas, Fayetteville division.

Suit to set aside and restrain the Commission from putting into effect its order of September 15, 1952, in Docket No. MC-77596 (Sub-No. 1), *Jack Gorum Extension of Operations—Six States*, now renumbered and reentitled MC-51891 (Sub-No. 4), *Hilton Bros. Extension of Operations—Six States* (61 M. C. C. 5) (rehearing denied by order of March 3, 1953), and to permanently enjoin the Commission's report of September 15, 1952, affirming findings in a prior report, 41 M. C. C. 862, that applicant failed to establish that the present or future convenience and necessity require proposed operations as a common carrier by motor vehicle of packinghouse products from Wichita, Kans., to points in Arkansas on and west of U. S. Highway 65 and south of U. S. Highway 70, Memphis, Tenn., and points in Mississippi and Louisiana. On April 2, 1953, the complaint was filed, and on April 18, 1953, the answer of the Commission was filed. On June 24, 1953, the cause was dismissed by the court on motion of plaintiffs.

Arrowhead Freight Lines, Ltd. v. United States, southern district of California, central division.

For case history see page 156, this volume.

CASES PENDING IN THE COURTS, OCTOBER 31, 1953

SUPREME COURT OF THE UNITED STATES

Riss & Co. v. United States.

For case history see page 154, this volume.

The Baltimore Transfer Co. v. United States.

For case history see 1952 Annual Report, page 165, and page 155, this volume. On October 13, 1953, the case was docketed on appeal to the Supreme Court.

State of Tennessee v. United States.

For case history see 1952 Annual Report, page 167, and page 155, this volume. On October 8, 1953, the case was docketed on appeal to the Supreme Court.

COURT OF APPEALS, NINTH CIRCUIT

Interstate Commerce Commission, et al. v. Martin Bros. Box Co.

For case history see 1952 Annual Report, page 162, and page 154, this volume.

DISTRICT COURTS OF THE UNITED STATES

Great Lakes Steel Corp. v. United States, eastern district of Michigan.

For case history see 1950 Annual Report, page 161, and page 157, this volume.

Baltimore & Ohio R. Co. v. Chicago River & Indiana R. Co., middle district of Illinois, eastern division.

For case history see 1949 Annual Report, page 140.

South Brooklyn Ry. Co. v. Keogh, U. S. Attorney, Etc., eastern district of New York.

For case history see 1948 Annual Report, page 147. On September 30, 1952, answer of Interstate Commerce Commission to amended complaint was filed.

United States v. Interstate Commerce Commission, District of Columbia.

For case history see 1949 Annual Report, page 146.

L. A. Tucker Truck Line, Inc. v. United States, eastern district of Missouri, eastern division.

For case history see pages 152 and 157, this volume.

Keystone Steel & Wire Co. v. United States, southern district of Illinois, eastern division.

For case history see 1952 Annual Report, page 161.

McGraw Electric Co. v. United States, eastern district of Missouri, eastern division.

For case history see 1951 Annual Report, pages 162 and 163. On February 27, 1953, the case was argued and submitted for decision.

H. W. Taynton Co., Inc. v. United States, middle district of Pennsylvania.

For case history see 1951 Annual Report, page 163.

Greyvan Lines, Inc. v. United States, northern district of Illinois, eastern division.

For case history see 1951 Annual Report, page 165.

Movers Conference of America v. United States, eastern district of Michigan, southern division.

For case history see 1951 Annual Report, page 163. On September 28, 1953, the Commission's answer to a further amended complaint was filed.

Joseph Pomprowitz, a sole trader v. United States, eastern district of Wisconsin.

For case history see 1951 Annual Report, page 166. On June 2, 1953, the case was argued and submitted for decision.

Paul C. Apper et al. v. United States, northern district of Ohio.

For case history see 1952 Annual Report, page 162.

Border Express, Inc. v. United States, district of Massachusetts.

For case history see 1952 Annual Report, page 162.

Charles Kulp and Kulp & Gordon, Inc. v. United States, eastern district of Pennsylvania.

For case history see 1952 Annual Report, page 162. On October 21, 1953, the case was argued and taken under advisement.

Elmer W. Henderson v. United States, District of Columbia.

For case history see 1952 Annual Report, page 163.

Edward Pittwood v. United States, eastern district of Washington, northern division.

For case history see 1952 Annual Report, page 163. On November 19, 1952, defendant's motion for summary judgment was granted and complaint dismissed. On January 17, 1953, notice of appeal was filed by plaintiff.

Oklahoma-Louisiana Motor Freight Co. v. United States, district of Oklahoma.

For case history see 1952 Annual Report, page 164.

John W. Tocco v. United States, district of Oregon.

For case history see 1952 Annual Report, page 165.

Lattavo Bros. Inc. v. Capt. Andrew J. Hudock, Pennsylvania State Police, western district of Pennsylvania.

For case history see 1952 Annual Report, page 165. On February 12, 1953, the case was reargued and submitted for further action by the court.

Michigan Motor Freight Lines, Inc. v. United States, eastern district of Michigan.

For case history see 1952 Annual Report, page 166, and page 155, this volume.

Baumer Foods, Inc. v. United States, eastern district of Louisiana, New Orleans division.

For case history see 1952 Annual Report, pages 164-165. On October 5, 1953, Commission's answer to amended complaint was filed.

National Trucking & Storage Co. v. United States, District of Columbia.

For case history see 1952 Annual Report, page 167. On February 13, 1953, plaintiff's motion for bill of particulars from the Commission was denied by United States District judge.

L. A. Smith Company v. United States, eastern district of Michigan, southern division.

For case history see 1952 Annual Report, page 167. On January 21, 1953, the case was argued and submitted for decision.

Clark Transport Co. v. United States, northern district of Illinois, eastern division.

Suit to restrain enforcement of Commission's report on reconsideration dated July 30, 1951, in Docket No. MC-106647 (Sub-No. 12), *Clark Transport Co. Extension—Duluth, Minn.*, (52 M. C. C. 814, 53 M. C. C. 237) modifying findings in prior report of March 12, 1951, finding that public convenience and necessity did not require operation by applicant as a common carrier by motor vehicle, over irregular routes, of automobile trucks and chassis, in secondary movements, in truckaway service, and bodies and cabs, between points in Minnesota, North Dakota, South Dakota, Montana, and a portion of Wyoming. On November 14, 1952, the complaint was filed, and on October 1, 1953, the case was argued and submitted for decision.

Wilson Bros. v. United States, western district of Missouri.

For case history see page 156, this volume.

Mid States Trailer Transport, Inc. v. United States, northern district of Illinois, eastern division.

For case history see pages 155-156, this volume.

Utah Poultry & Farmers Cooperative v. United States, district of Utah, central division.

Suit to set aside Commission's report and order of February 4, 1952, in consolidated Dockets Nos. 30030 and I. and S. No. 5792 (284 I. C. C. 377), *Special Regulations, Eggs*, finding that schedules under suspension in the I. and S. Docket providing special regulations governing descriptions, marks, inspection, and delivery of eggs, and handling of claims thereunder, not justified and directing cancellation of the schedules without prejudice to filing of new schedules in conformity with the findings in the Commission's report. On January 21, 1953, the complaint was filed, and on July 8, 1953, the case was argued and submitted for decision.

Canlly & Tanzola, Inc. v. United States, northern district of California.

For case history see page 157, this volume.

South Buffalo Ry. Co. v. United States, district of Maryland.

Suit to set aside Commission's report and order of October 20, 1952, in Ex Parte 104, Part II, *South Buffalo Terminal Allowance* (287 I. C. C. 195), finding that respondent's switching charge did not include services beyond points of interchange described of record, at the plant of the Bethlehem Steel Co., located within the Buffalo, N. Y., switching district, and the performance of such services by respondent beyond those tracks, without additional charges, was in violation of section 6 (7) of the Interstate Commerce Act. On February 10, 1953, the complaint was filed, and on April 3, 1953, the Commission's intervention and answer were filed.

National Bus Traffic Assn., Inc. v. United States, district of New Jersey.

Suit to set aside and suspend Commission's orders of November 3, 1952, April 21, 1952, and January 26, 1951, in Docket No. MC-29488 (Sub-No. 3), in so far as they modify the Commission's report and order of August 4, 1949,

Tauck Tours, Inc. Extension—New York, N. Y., finding that operation by Tauck Tours, Inc., at New York, N. Y., Newark, N. J., and Philadelphia, Pa., as a broker of transportation by motor vehicle of passengers and their baggage in all-expense tours, between all points in the United States, with certain exceptions, was consistent with the public interest and the national transportation policy (49 M. C. C. 491; 52 M. C. C. 373; 54 M. C. C. 291). On February 20, 1953, the complaint was filed, and on April 16, 1953, the Commission's answer was filed.

Pittman Tractor Co., Inc. v. United States, northern district of Alabama, southern division.

Suit to set aside Commission's report and order of July 28, 1952, (Division 3), in Docket No. 30838, *J. D. Pittman Tractor Co., Inc. v. Alabama G. S. R. Co.*, 286 I. C. C. 575 (petition for rehearing and reconsideration denied by entire Commission on January 12, 1953), the Division having found that rates on internal-combustion engined tractors or internal-combustion engines and parts, in carloads, from Peoria, Ill., to Birmingham, Ala., were applicable, and directed dismissal of the complaint. On February 25, 1953, the complaint was filed, and on March 23, 1953, the Commission's answer was filed.

Florida Citrus Commission et al. v. United States, southern district of Florida, Orlando division.

For case history see page 156, this volume.

Acme Fast Freight, Inc. v. United States, district of Delaware.

Suit to set aside Commission's report and order of October 28, 1952, (petition for rehearing denied by entire Commission on March 2, 1953) in Docket No. F. F. 164 (Sub No. 2), *Arrow Marine Forwarders' Extension—Removal of Route Limitations* (unreported), finding that extension of service by Arrow Marine Forwarders as a freight forwarder of commodities generally, between points in Arizona, California, Nevada, Oregon, and Washington, on the one hand, and, on the other, all points in the States of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Ohio, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, embracing the use of the facilities of water, motor, and rail common carriers, was consistent with the public interest and the national transportation policy. On March 19, 1953, the complaint was filed, and on July 10, 1953, the case was argued and submitted for decision. On October 16, 1953, the Commission's order was sustained and a final judgment entered.

L. O. Benton, Jr., et al. v. United States, middle district of Georgia, Macon division.

For case history see page 156, this volume.

A. J. Meller v. United States, eastern district of Tennessee, northern division.

Suit to set aside Division 5's report of January 28, 1952, in Docket No. MC-108676 (Sub-No. 1), *A. J. Meller Extension—Crude Sulphur*, (58 M. C. C. 823), (affirmed by entire Commission November 17, 1952) (61 M. C. C. 335), finding that applicant had failed to establish that present or future public convenience and necessity required operation by applicant as a common carrier by motor vehicle to transport crude sulphur, in bulk, from Knoxville, Tenn., to Lowland, Tenn., over U. S. Highway 113 to Morristown, thence over irregular routes to Lowland, Tenn., and denying the application. On March 25, 1953, the complaint was filed, and on April 20, 1953, the Commission's intervention and answer were filed. (Case being held in abeyance due to reopening by the Commission).

Arrowhead Freight Lines, Ltd. v. United States, southern district of California, central division.

For case history see page 157, this volume.

Baggett Transportation Co. v. United States, northern district of Alabama, southern division.

Suit to set aside report and order of Division 4, dated August 19, 1952, in Docket No. MC-F-4823, *Floyd and Beasley—Purchase—Central Alabama Exp., Inc.*, 58 M. C. C. 507, approving and authorizing, subject to condition, purchase by C. R. Floyd and J. D. Beasley, partners, dba Floyd & Beasley Transfer Co., of the operating rights and property of Central Alabama Express, Inc. (petition for reconsideration denied by entire Commission on February 2, 1953). On April 16, 1953, the complaint was filed, and on June 15, 1953, the Commission's answer was filed. On October 27, 1953, the case was argued, submitted and taken under advisement.

Atlanta-New Orleans Motor Freight Co. v. United States, northern district of Georgia, Atlanta division.

For case history see page 156, this volume.

United States of America v. Interstate Commerce Commission and United States, District of Columbia.

Suit to set aside Commission's order of June 2, 1952, in Docket No. 30326, *United States of America v. Southern Ry. Co.*, 286 I. C. C. 203, holding that published tariff rates sought on imported bauxite ore, in carloads, from Mobile, Ala., to Bynum, Ala., prior to November 11, 1948, were not applicable on complainant's shipments, and that rates and charges assailed on like traffic from Mobile to Huntsville Arsenal, Ala., were not shown to be unreasonable. On April 20, 1953, the complaint was filed, and on June 13, 1953, the Commission's answer was filed.

State of Tennessee v. United States, middle district of Tennessee, Nashville division.

Suit to set aside Commission's report and order of September 18, 1952, in Docket No. 30829, *Stearns Coal & Lbr. Co., Inc. v. Cincinnati, N. O. & T. P. Ry. Co.*, 286 I. C. C. 733, requiring railroads in that proceeding to increase their published rates on steam coal from Tennessee origins to Spring City, Tenn., where the TVA maintains a plant for the generation of electric energy by steam. On May 18, 1953, the complaint was filed, and on July 15, 1953, the Commission's answer was filed.

E. Brooke Matlack, Inc. v. United States, eastern district of Pennsylvania.

Suit to set aside Commission's report and order (made through Division 5) of April 30, 1952, in Docket No. MC-107403 (Sub-No. 131), *Application of E. Brooke Matlack, Inc.*, (54 M. C. C. 809), denying plaintiff's application for certificate of public convenience and necessity, authorizing operation in interstate or foreign commerce, as a common carrier by motor vehicle, of liquids and liquefied gases, excluding milk, in bulk, in tank vehicles, between points in New Jersey, on the one hand, and on the other, points in Pennsylvania over irregular routes. (Petition for reconsideration denied by entire Commission on March 3, 1953). On May 19, 1953, the complaint was filed, and on June 19, 1953, the Commission's answer was filed. On October 21, 1953, the case was argued and submitted for decision.

Pasco Salvino, dba P. Salvino Transport v. United States, western district of Washington, northern division.

Suit to set aside Commission's report of November 7, 1952, in Docket No. MC-C-1210, *Johnson Truck Service, et al., v. Pasco Salvino*, 61 M. C. C. 329, defining what plaintiff could carry under its authority to haul "factory supplies", and directing plaintiff to cease and desist from hauling commodities going into and becoming a part of the finished product. (Petition for rehearing denied by entire Commission on April 20, 1953.) On May 20, 1953, the complaint was filed, and on September 14, 1953, the case was argued and submitted for decision.

Bowen Transports, Inc., a Corp. v. United States, eastern district of Illinois, eastern division.

Suit to set aside Commission's order of May 12, 1953, in Docket No. MC-114033-TA, *Application of Bowen Transports, Inc., Mattoon, Ill.*, whereby Division 5, as an appellate division, granted a petition requesting revocation of a prior order entered February 9, 1953, granting temporary authority to plaintiff to operate in interstate commerce from Muncie, Ind., to Peoria, Ill., on the ground that there was adequate carrier service available to perform the transportation for which authority was granted. On May 27, 1953, the complaint was filed, and on August 11, 1953, application for a temporary restraining order was denied. On September 14, 1953, the case was argued in the district Court, and on October 19, 1953, the Commission's order was sustained.

James C. Gay, dba Acme Express, et al. v. United States, western district of Oklahoma.

Suit to set aside Commission's orders in Docket No. MC-FC-54173, dated June 27, 1952, and December 16, 1952, denying an application for transfer between James C. Gay, dba Acme Express, Transferee, and S. H. McCright, dba American Transfer & Storage Co., of certain operating rights, under section 212 (b), on the ground that the rights sought to be transferred had become dormant. On May 29, 1953, the complaint was filed, and on July 13, 1953, the Commission's answer was filed.

Union Pacific R. Co. v. United States, district of Nebraska, Omaha division.

Suit to set aside Commission's report and order of January 12, 1953, in Docket No. 30297, *Denver & R. G. W. R. Co. v. Union Pac. R. Co.*, 287 I. C. C. 611, finding (1) through routes and joint rates necessary and desirable in the public interest via Ogden or Salt Lake City, Utah, in connection with complainant, on certain

commodities from and to points in the excluded territory in the northwest area as described in the report, to and from points in official, southern, and southwestern territories, including Missouri, and a portion of Iowa; (2) rates on same commodities from and to same points over complainant's routes via Ogden or Salt Lake City were unreasonable and unduly prejudicial to and preferential of shippers and receivers; and (3) maintenance by defendants of joint rates between points in northwest area, on the one hand, and points on the Bamberger Railroad south of Ogden on the other hand, while refusing to participate in like rates to and from same points on line of complainant south of Ogden subjected complainant to unlawful discrimination. On June 25, 1953, the complaint was filed, and on July 17, 1953, the Commission's answer was filed.

Council Bluffs Transit Co. v. United States, southern district of Iowa, western division.

Suit to set aside Commission's order of October 31, 1950 (52 M. C. C. 207), in Docket Nos. 110304 (Sub-No. 1), 57037 (Sub-No. 2) and 110238 (Sub-No. 1), *Omaha & Council Bluffs Ry. & Bridge Co., Common Carrier Application*, affirmed on reconsideration on May 7, 1951, and April 20, 1953, granting to Council Bluffs Transit Co. a certificate to operate as a common carrier within Council Bluffs, and granting a similar certificate to Omaha & Council Bluffs Street Ry. Co. for operation between Omaha and Council Bluffs over a specified route, and further finding that the two companies should establish and maintain certain through routes and joint fares. (Prior report, 49 M. C. C. 445.) On June 24, 1953, the complaint was filed. Time for filing answers extended to November 5, 1953.

Louis S. Stein v. United States, western district of Tennessee, western division.

Suit to set aside Division 2's report and order of October 25, 1951, in Docket No. 30702, *Louis S. Stein Bag Co. v. Baltimore & O. R. Co.*, 283 I. C. C. 365, determining applicable rates on carload shipments of bags, old, worn out, cut and torn, for conversion into cotton bale covering from points in Massachusetts, Illinois, New York, Wisconsin, Canada, New Jersey, Virginia and Pennsylvania, to Memphis, Tenn., and directing dismissal of the complaint. (Petitions for rehearing denied by entire Commission on February 15, 1952, and July 7, 1952). On July 6, 1953, the complaint was filed, and on August 26, 1953, the Commission's answer was filed.

Steel Haulage Corp. v. United States, southern district of New York.

Suit to set aside Commission's order of March 2, 1953, in Docket No. MC-47052, *Schwartz Trucking Corp. Common Carrier Application*, and Docket No. MC-FC-52562, *Steel Haulage Corp.—Purchase—Schwartz Trucking Corp.*, 54 M. C. C. 817, denying the grandfather application of Schwartz Trucking Corp., because the examiner assigned to hear the case was not a duly qualified examiner under the Administrative Procedure Act, although the objection to the examiner's qualifications was first made in the exceptions to his recommended report. On July 23, 1953, the complaint was filed, and on September 14, 1953, the Commission's answer was filed.

Coyle Lines, Inc. v. United States, eastern district of Louisiana, New Orleans division.

For case history see page 157, this volume.

National Automobile Transporters Assn. v. United States, eastern district of Michigan, southern division.

Suit to set aside Commission's report and order of April 6, 1953, in I. and S. Docket No. 5745, *Automobiles from Detroit to the East*, 288 I. C. C. 351, finding proposed reduced rates on freight and passenger automobiles and chassis, set up, in carloads, from Detroit, Mich., to destinations in the east, increased as subsequently authorized in Ex Parte No. 175, were just and reasonable, and otherwise lawful, except where in violation of section 4 of the act, and directing cancellation of the suspended schedules without prejudice to filing of new schedules to conform with Commission's findings herein. (Petition for reconsideration denied July 1, 1953.) On August 13, 1953, the complaint was filed, and on September 4, 1953, the case was argued and submitted on application for preliminary injunction and motion to dismiss. On October 12, 1953, proceeding reopened by Commission, and court case being held in abeyance.

Hughes Transportation Co., Inc. v. United States, eastern district of South Carolina, Charleston division.

Suit to set aside Commission's orders of December 18, 1946, June 9, 1947, November 7, 1949, December 12, 1952, and March 16, 1953, in Docket No. MC-102682 (Sub-No. 191), 46 M. C. C. 603, *Hughes Transportation, Inc., Extension of Operations, Southeastern States*, insofar as they denied authority to

plaintiff, as a common carrier by motor vehicle, in interstate or foreign commerce, to transport ammunition, ammunition containers, and empty shell cases between points in New Jersey, Alabama, Indiana, Pennsylvania, Kentucky, Maryland, South Carolina, and Virginia, as described in the application, on the one hand, and, on the other, points in Alabama, Delaware, Florida, Georgia, Kentucky, Maryland, Louisiana, Mississippi, New Jersey, North Carolina, South Carolina, Pennsylvania, Tennessee, Virginia, and the District of Columbia. On August 12, 1953, the complaint was filed, on October 2, 1953, the case was argued and submitted for decision, and on October 14, 1953, the Commission's order was sustained (115 F. Supp. 1).

George M. Hayward v. United States, western district of Missouri, western division.

Suit to set aside report and order of Division 3, dated December 4, 1950, (petition for rehearing denied by entire Commission on May 7, 1951; motion for leave to file new petition for rehearing denied October 6, 1952), in Docket No. 30413, *Hayward v. Central of Georgia Ry. Co.*, 279 I. C. C. 719, finding that rates charged by the carriers on ointment, in carloads, from various origins to St. Joseph, Mo., were applicable and were not shown to be unreasonable. On June 22, 1953, the complaint was filed. Case being held in abeyance pending action by Commission on reconsideration.

State of North Dakota v. United States, district of North Dakota, southeastern division.

Suit to set aside Commission's report of April 20, 1953, and order of July 17, 1953, in Docket No. 31066, *North Dakota Intrastate Express Rates and Charges*, 288 I. C. C. 387, finding rates and charges of Railway Express Agency, Inc., for intrastate transportation of property by express in the State of North Dakota, caused unjust discrimination against interstate commerce, and prescribing a basis for nondiscriminatory rates and charges. On August 20, 1953, the complaint was filed, and on September 25, 1953, the case was argued and submitted for decision.

Motor Freight Express, a Corporation, et al. v. United States, middle district of Pennsylvania.

Suit to set aside and annul Commission's report and order of March 17, 1952, and certificate of public convenience and necessity, issued May 4, 1953, in *Branch Motor Express Company—Clarification of Certificate*, Docket No. MC-10875 (54 M. C. C. 803), insofar as authorizing service at additional intermediate points including the cities of York and Lancaster and others on the Baltimore-Reading routes and Philadelphia on the Baltimore-New York routes of Branch Motor Express Co., and service between these points on the one hand, and, on the other, points in New York and New Jersey; and to set aside the Commission's order dated December 19, 1952, embracing *York Motor Express Co. v. Branch Motor Express Co.*, No. MC-C-1322 (unreported), and *Motor Freight Express v. Branch Motor Express Co.*, No. MC-C-1351, and seeking to compel the Commission to issue a cease and desist order restraining Branch Motor Express Co., from rendering an alleged illegal service in the city of York, Pa., and vicinity. (See also 44 M. C. C. 880.) On October 1, 1953, complaint filed.

M. & M. Transportation Co. v. United States, district of Massachusetts.

Suit to set aside order of Commissioner Mitchell, dated September 22, 1953, in Docket No. MC-F-5080, *Harry D. Zabarsky et al.—Control; St. Johnsbury Trucking Co., Inc.—Purchase—Hinsch Transportation Co., Inc.*, extending the effective date under which the operations involved may be temporarily continued until December 15, 1953. On October 2, 1953, the complaint was filed. On October 6, 1953, amended complaint was filed, and on October 26, 1953, the Commission's answer was filed.

Denver & Rio Grande Western R. R. Co. v. United States of America, and Interstate Commerce Commission, district of Colorado.

On October 22, 1953, complaint was filed to set aside the Commission's report and order of January 12, 1953, in Docket No. 30297, *Denver & R. G. W. R. Co. v. Union Pac. R. Co.*, 287 I. C. C. 611. (Ogden Gateway Case No. 1 was filed in the U. S. District Court, District of Nebraska, Omaha Division, on June 25, 1953.)

McDowall Transport, Inc. v. United States, southern district of Florida, Orlando division.

Suit to set aside Commission's report and order of March 13, 1953, in Docket No. MC-C-1355, *Alterman Transport Lines, et al. v. McDowall Transport, Inc.*, 61 M. C. C. 625, finding that defendant, a motor common carrier authorized to transport canned fruit and canned fruit juices, was without authority to transport

frozen citrus concentrate even though in hermetically sealed containers, and directing cessation of such unlawful operations. (Petition for reconsideration denied by entire Commission on July 20, 1953.) On August 25, 1953, the complaint was filed, and on October 22, 1953, the Commission's answer was filed.

Tampa Traffic Assn., et al. v. United States, southern district of Florida, Tampa division.

Suit to set aside Commission's reports and orders of August 5, 1948, July 9, 1951, and July 21, 1952, in Docket No. 29520, *Tampa Traffic Assn. v. Aberdeen & R. R. Co.*, 272 I. C. C. 217, 281 I. C. C. 483, and 286 I. C. C. 455, wherein the Commission, upon reargument, affirmed findings in prior reports that the assailed carload and less-than-carload export and import class and commodity rates between south Florida ports and interior territory were not shown to be unreasonable or unduly prejudicial, and directed dismissal of the complaint. On August 26, 1953, the complaint was filed, and on October 10, 1953, the Commission's intervention and answer were filed.

Doehla Greeting Cards, Inc. v. Arthur E. Summerfield, Postmaster General, J. Haden Alldredge et al., members of the Interstate Commerce Commission, District of Columbia.

Complaint to restrain the Postmaster General and the individual members of the Commission from permitting establishment of increased postal rates on parcels of fourth class mail (parcel post), to become effective October 1, 1953, consent to the increase having been given by the Interstate Commerce Commission in Docket No. 31074, *Increased Parcel Post Rates, 1953*, 289 I. C. C. 107. On September 25, 1953, the complaint was filed, and on September 29, 1953, restraining order was denied. On October 23, 1953, motion to dismiss was granted, and the Commissioners ordered dismissed from the case.

APPENDIX C

STATISTICAL SUMMARIES

A. Statistics of railway development since 1942.

B. Statistics from monthly and other periodical reports of carriers.

A. Statistics of Railway Development

Data for years preceding 1942 for most of the tables appear in prior reports.

TABLE I.—*Mileage operated and mileage owned by steam railways in the United States, 1942-52*

Year ended Dec. 31—	Road owned in the United States ¹ (first main track)	Total miles of all tracks operated, excluding trackage rights ²	Mileage operated by classes I, II, and III line-haul railways (including trackage rights)			
			First main track	Second or additional main tracks	Yard track and sidings	All tracks
1942-----	229, 174	378, 570	241, 737	41, 137	116, 753	399, 627
1943-----	227, 999	377, 631	240, 745	41, 093	116, 892	398, 730
1944-----	227, 335	377, 210	240, 215	41, 178	117, 044	398, 437
1945-----	226, 696	376, 772	239, 438	41, 106	117, 510	398, 054
1946-----	226, 438	376, 516	239, 069	41, 015	117, 953	398, 037
1947-----	225, 806	376, 034	238, 209	40, 954	118, 192	397, 355
1948-----	225, 149	376, 173	237, 756	40, 845	118, 602	397, 203
1949-----	224, 511	376, 108	237, 564	40, 639	119, 029	397, 232
1950-----	223, 779	375, 296	236, 857	40, 456	119, 067	396, 380
1951-----	223, 427	374, 852	236, 476	40, 157	119, 198	395, 831
1952-----	222, 508	373, 571	235, 545	39, 977	119, 109	394, 631

¹ Includes mileage of some small companies that do not make annual reports to the Commission.

² Includes mileage of classes I, II, an III line-haul railways and switching and terminal companies.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1942-52* ¹

Year ended Dec. 31—	Locomotives							
	Steam		Electric		Diesel-electric		Other	
	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²
		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>
1942-----	41, 755	51, 811	892	56, 591	1, 978	54, 942	46	22, 740
1943-----	41, 983	52, 451	907	56, 896	2, 476	55, 200	40	19, 923
1944-----	41, 921	52, 822	902	56, 878	3, 432	56, 398	50	21, 684
1945-----	41, 018	53, 217	885	57, 295	4, 301	55, 868	49	21, 474
1946-----	39, 592	53, 735	867	58, 565	5, 008	55, 872	44	20, 529
1947-----	36, 942	54, 506	864	58, 816	6, 495	56, 524	43	23, 778
1948-----	34, 581	55, 170	867	59, 250	8, 981	56, 285	45	32, 053
1949-----	30, 344	56, 333	856	59, 427	12, 025	56, 714	47	29, 636
1950-----	26, 680	57, 075	827	59, 713	15, 396	57, 487	48	18, 842
1951-----	22, 590	58, 476	817	60, 037	19, 014	58, 202	52	19, 687
1952-----	16, 738	59, 966	791	60, 415	22, 118	58, 918	52	² 59, 176

See footnotes at end of table.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year 1942-52*¹—Continued

Year ended Dec. 31—	Cars					
	Freight cars (excluding caboose)		Passenger train	Coaches		
	Number	Average capacity ²	Number	Number	Average seating capacity ²	Number air-conditioned ²
		<i>Tons</i>				
1942-----	1, 773, 735	50. 5	38, 446	17, 807	77	5, 166
1943-----	1, 784, 472	50. 7	38, 331	17, 929	77	5, 291
1944-----	1, 797, 012	50. 8	38, 217	17, 842	77	5, 316
1945-----	1, 787, 073	51. 1	38, 633	17, 668	77	5, 326
1946-----	1, 768, 400	51. 3	38, 697	17, 654	77	5, 677
1947-----	1, 759, 758	51. 5	39, 057	17, 542	76	6, 180
1948-----	1, 785, 067	51. 9	39, 406	17, 150	75	6, 512
1949-----	1, 778, 811	52. 4	38, 006	16, 806	75	6, 868
1950-----	1, 745, 778	52. 6	37, 359	16, 488	75	7, 351
1951-----	1, 777, 878	52. 9	36, 326	15, 856	76	7, 389
1952-----	1, 783, 352	53. 2	34, 942	14, 957	74	7, 356

¹ Privately owned cars and cars owned or leased by the Pullman Co., are not included. In 1952 privately owned freight-carrying cars numbered 274, 472 and cars owned or leased by the Pullman Co., 6, 244.

² Class I steam railways.

³ Includes 6 gas-turbine electric locomotives having average tractive effort of 138, 000 pounds.

TABLE III.—*Railway capital actually outstanding and net income, 1942-52: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Total railway capital	Funded debt unmatured ¹	Preferred stock	Common stock	Ratio of debt to capital	Net income ²	Ratio of net income to stock
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>
1942-----	\$20, 471, 191	\$10, 970, 648	\$1, 935, 222	\$7, 565, 321	53. 6	\$992, 843	10. 45
1943-----	19, 913, 582	10, 484, 259	1, 912, 119	7, 517, 204	52. 6	946, 150	10. 03
1944-----	19, 402, 593	9, 954, 215	1, 984, 173	7, 464, 206	51. 3	733, 461	7. 76
1945-----	18, 681, 292	9, 257, 950	1, 980, 750	7, 442, 592	49. 6	502, 250	5. 33
1946-----	18, 449, 437	9, 040, 901	1, 960, 995	7, 447, 541	49. 0	334, 966	3. 56
1947-----	18, 050, 122	8, 824, 903	1, 975, 188	7, 250, 031	48. 9	537, 405	5. 83
1948-----	18, 249, 091	9, 007, 491	1, 991, 825	7, 249, 775	49. 4	767, 949	8. 31
1949-----	18, 342, 568	9, 120, 246	1, 988, 169	7, 234, 153	49. 7	496, 103	5. 38
1950-----	18, 273, 631	9, 089, 499	1, 976, 670	7, 207, 462	49. 7	854, 951	9. 31
1951-----	18, 219, 950	9, 007, 960	1, 976, 699	7, 235, 291	49. 4	757, 934	8. 23
1952-----	18, 066, 950	8, 870, 621	1, 953, 649	7, 242, 689	49. 1	900, 472	9. 79

¹ Does not include long-term debt in default. For class I railways and their nonoperating subsidiaries such debt amounted to \$234, 813 (thousands) at the close of 1952.

² Intercompany duplications not eliminated, but amounts shown correspond with the stock in the second and third preceding columns.

TABLE IV.—*Dividends, 1942-52: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Proportion of stock-paying dividends ¹	Amounts of dividends ¹	Average rate on—		Dividends declared ²	
			Dividend-paying stock ¹	All stock	On preferred stock	On common stock
	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>	<i>Percent</i>		
1942.....	56.37	\$254,088	4.74	2.67	\$34,422,097	\$167,848,035
1943.....	57.97	263,919	4.83	2.83	37,046,973	179,496,716
1944.....	58.46	292,248	5.29	3.09	54,577,117	191,401,095
1945.....	57.13	295,294	5.49	3.13	48,448,791	197,543,159
1946.....	55.50	283,171	5.42	3.01	58,649,278	175,932,458
1947.....	56.20	280,397	5.41	3.04	54,759,213	181,706,349
1948.....	69.75	335,313	5.20	3.63	69,244,802	220,001,710
1949.....	64.24	306,995	5.18	3.33	64,223,191	187,723,811
1950.....	73.70	348,811	5.15	3.80	79,191,647	232,907,042
1951.....	72.74	373,574	5.58	4.06	87,900,473	240,577,360
1952.....	73.23	394,042	5.85	4.28	98,240,599	239,824,658

¹ Includes figures for lessors and operating railways without excluding duplications on account of intercorporate payments. Stock dividends for the last 11 years have been as follows: \$705,000 in 1943, \$15,800 in 1948, and \$2,426,100 in 1951.

² By class I line-haul railways.

TABLE V.—*Reported property investment and selected income items, 1942-52: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Investment ¹	Investment per mile of road	Depreciation reserve ²	Net railway operating income ³	Other income ⁴	Fixed charges and other deductions ⁵	Net income
	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1942.....	\$25,838,351	\$113,364	\$3,561,570	\$1,499,364	\$175,296	\$764,055	\$992,843
1943.....	26,145,458	115,288	3,939,562	1,370,569	194,440	686,576	946,150
1944.....	26,631,654	117,771	4,382,604	1,113,153	202,827	647,064	733,461
1945.....	26,967,756	119,664	5,549,720	858,864	196,081	602,691	502,250
1946.....	27,277,974	121,074	5,800,975	624,868	197,105	533,941	334,966
1947.....	27,686,103	123,215	6,037,033	790,534	211,868	517,330	537,405
1948.....	28,664,759	127,625	6,279,892	1,014,815	216,775	524,149	767,949
1949.....	29,519,832	131,784	6,438,177	693,957	238,659	490,133	496,103
1950.....	30,174,312	135,076	6,629,150	1,055,309	245,433	504,926	854,951
1951.....	31,077,781	139,332	6,837,120	956,699	253,758	506,538	757,934
1952.....	31,822,114	143,238	6,925,807	1,091,657	269,614	525,746	900,472

¹ Includes investment of operating, lessor, and proprietary companies. Proprietary companies do not render annual reports to the Commission but information concerning them is given in reports of the operating companies.

² Includes amortization of defense projects.

³ This term, as defined in the Interstate Commerce Act, means "railway operating income, including in the computation thereof debits and credits arising from equipment rents and joint facility rents."

⁴ Includes amounts received as interest or dividends on railroad securities owned by reporting carriers. See Statistics of Railways, table 109. Figures represent classes I, II, and III line-haul railways.

⁵ The interest included represents accruals, not payments. In 1952, the interest payments on unmatured funded debt and long-term debt in default in excess of accruals was \$24,416,731 for class I steam railways. Figures represent classes I, II, and III line-haul railways.

⁶ Includes investment of lessor and proprietary companies, as follows, but excludes investment of proprietary companies in systems which file consolidated annual reports combining the mileage, investment and other items on a net system basis:

Year	Lessor companies	Proprietary companies	Year	Lessor companies	Proprietary companies
	<i>Thousands</i>	<i>Thousands</i>		<i>Thousands</i>	<i>Thousands</i>
1942.....	\$3,933,048	\$803,280	1948.....	\$3,405,052	\$740,229
1943.....	3,885,103	858,312	1949.....	3,503,617	628,316
1944.....	3,865,708	811,979	1950.....	3,407,102	616,495
1945.....	3,632,499	806,153	1951.....	3,258,907	617,846
1946.....	3,545,819	758,181	1952.....	3,173,506	594,910
1947.....	3,507,365	761,297			

TABLE VI.—Operating revenues, operating expenses, and taxes: Class I line-haul railways, 1942-52

Year ended Dec. 31—	Operating revenues	Freight revenues	Passenger revenues	Operating expenses	Railway tax accruals ¹			Ratio of total operating expenses to total operating revenues
					U. S. Government taxes	Other than U. S. Government taxes	Total	
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>
1942.....	\$7,465,823	\$5,944,344	\$1,028,186	\$4,601,083	\$955,352	\$248,404	\$1,203,756	61.63
1943.....	9,054,724	6,782,470	1,652,868	5,657,461	1,583,256	270,880	1,854,136	62.48
1944.....	9,436,790	6,998,606	1,790,305	6,282,063	1,564,118	285,791	1,849,909	66.57
1945.....	8,902,248	6,533,767	1,716,379	7,051,627	551,004	275,571	826,575	79.21
1946.....	7,627,651	5,786,556	1,259,169	6,357,415	243,831	256,159	499,990	83.35
1947.....	8,684,918	7,041,185	963,322	6,797,265	655,849	282,528	938,377	78.27
1948.....	9,671,722	7,976,285	964,303	7,472,035	723,325	307,466	1,030,791	77.26
1949.....	8,580,142	7,048,240	860,744	6,891,819	519,517	314,910	834,427	80.32
1950.....	9,473,093	7,817,263	813,417	7,059,276	868,037	328,226	1,196,263	74.52
1951.....	10,390,611	8,634,101	900,310	8,041,277	858,106	347,646	1,205,752	77.39
1952.....	10,580,762	8,788,635	906,185	8,052,518	908,729	355,535	1,264,264	76.11

¹ Includes lessor companies.

TABLE VII.—Number and compensation of employees: Class I line-haul railways, 1942-52

Year ended Dec. 31—	Average number of employees during year ¹	Total hours paid for	Compensation of railway employees ²			
			Total	Average per hour	Ratio to revenues	Ratio to expenses
		<i>Thousands</i>	<i>Thousands</i>		<i>Percent</i>	<i>Percent</i>
1942.....	1,270,687	3,440,957	2,932,070	.852	39.27	63.73
1943.....	1,355,114	3,816,420	3,520,926	.923	38.88	62.24
1944.....	1,414,776	3,996,873	3,857,957	.965	40.88	61.41
1945.....	1,419,505	3,979,637	3,862,001	.970	43.38	54.77
1946.....	1,359,263	3,632,338	4,170,767	1.148	54.68	65.60
1947.....	1,351,863	3,613,296	4,352,047	1.204	50.11	64.03
1948.....	1,326,597	3,545,081	4,768,828	1.345	49.31	63.82
1949.....	1,192,019	3,018,736	4,418,790	1.464	51.50	64.12
1950.....	1,220,401	2,876,591	4,594,423	1.597	48.50	65.08
1951.....	1,275,744	2,978,870	5,272,975	1.770	50.75	65.57
1952.....	1,226,421	2,845,217	5,326,804	1,872	50.34	66.15

¹ This is the average of 12 counts made at middle of month and differs from the number of persons receiving pay during the month of year regardless of whether for a long or short period.² In 1952, \$5,062,480 (thousands) or 95.04 percent of the reported compensation, was chargeable to operating expenses.

TABLE VIII.—Freight transportation service performed by line-haul railways, 1942-52

Year ended Dec. 31—	Revenue tons originated	Revenue tons carried 1 mile	Loaded car miles	Average haul		Average amount received for each ton originated	Revenue per ton-mile
				United States as a system	For the individual road		
	<i>Thousands</i>	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>	<i>Miles</i>		<i>Cents</i>
1942.....	1,498,477	640,992	21,536	427.76	217.55	\$4.022	.940
1943.....	1,556,558	730,132	23,284	469.07	231.23	4.411	.940
1944.....	1,564,780	740,586	24,186	473.28	234.62	4.529	.957
1945.....	1,493,314	684,148	22,669	458.14	230.21	4.431	.967
1946.....	1,431,936	594,943	20,340	415.48	217.54	4.097	.986
1947.....	1,613,148	657,878	21,490	407.82	216.45	4.427	1.085
1948.....	1,580,480	641,104	20,746	405.64	213.85	5.121	1.262
1949.....	1,284,197	529,111	17,948	412.02	218.18	5.569	1.352
1950.....	1,420,891	591,550	19,736	416.32	218.21	5.584	1.341
1951.....	1,547,238	649,831	20,709	419.99	220.97	5.660	1.348
1952.....	1,447,403	617,941	19,919	426.93	223.11	6.159	1.443

TABLE IX.—*Carload, trainload, and density of traffic: Class I line-haul railways, 1942-52*

Year ended Dec. 31—	Ton-mile revenue and nonrevenue freight per loaded freight-car mile	Revenue ton-miles per train- mile	Passenger- miles per car-mile	Passenger- miles per train-mile	Revenue ton-miles per mile of road	Passenger- miles per mile of road
1942.....	31.78	968	22	125	2,760,479	236,400
1943.....	33.29	1,050	31	190	3,168,749	389,839
1944.....	32.60	1,068	32	201	3,222,168	425,012
1945.....	32.18	1,058	30	191	2,979,597	408,333
1946.....	31.24	1,016	25	144	2,596,647	288,945
1947.....	32.56	1,076	21	111	2,869,909	204,854
1948.....	32.88	1,104	19	101	2,808,728	184,701
1949.....	31.29	1,068	18	92	2,321,799	157,929
1950.....	31.63	1,157	17	89	2,598,236	143,285
1951.....	32.87	1,238	18	97	2,860,589	156,771
1952.....	32.42	1,236	18	99	2,722,052	154,299

TABLE X.—*Passenger transportation service performed by line-haul railways, 1942-52*

Year ended Dec. 31—	Passengers carried	Passenger- miles	Average journey per passenger ¹	Average receipts per passenger	Revenue per passenger- mile
	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>		<i>Cents</i>
1942.....	672	53,747	79.93	\$1.533	1.917
1943.....	888	87,925	99.05	1.865	1.883
1944.....	916	95,663	104.46	1.958	1.875
1945.....	897	91,826	102.33	1.916	1.872
1946.....	795	64,754	81.47	1.587	1.948
1947.....	707	45,972	65.07	1.366	2.099
1948.....	646	41,224	63.86	1.496	2.342
1949.....	557	35,133	63.11	1.549	2.454
1950.....	488	31,790	65.14	1.669	2.563
1951.....	485	34,640	71.35	1.856	2.601
1952.....	471	34,033	72.26	1.925	2.664

¹ This average is affected by the changing ratio of commutation traffic to the total traffic.

TABLE XI.—*Fuel consumed by motive-power units, and rails and ties laid: Class I line-haul railways, 1942-52*

Year ended Dec. 31—	Bituminous coal (net tons)	Anthra- cite coal (net tons)	Fuel oil (thou- sands of gallons)	Diesel oil (thou- sands of gallons)	Electric- ity (thou- sands kilowatt- hours)	Rails ap- plied in re- placement and betterment (all tracks) (long tons)	Ties laid in previously constructed tracks	
							Cross ties (number)	Switch and bridge ties (feet (b. m.))
1942.....	109,618,324	263,371	3,911,762	155,661	2,435,092	2,250,280	48,616,228	136,944,189
1943.....	122,593,389	280,958	4,441,093	193,547	2,630,605	2,409,989	45,439,512	124,097,473
1944.....	122,653,989	197,232	4,519,697	285,312	2,734,394	2,878,068	48,032,634	137,780,487
1945.....	115,153,596	138,920	4,422,290	413,149	2,667,883	2,955,736	43,912,213	130,520,278
1946.....	100,485,542	145,352	3,877,905	513,541	2,597,522	2,302,099	37,562,383	106,204,525
1947.....	100,437,382	41,937	3,797,387	725,631	2,584,329	2,531,858	37,289,473	108,159,083
1948.....	88,001,197	99,477	3,367,373	1,080,266	2,554,649	2,454,355	36,842,371	119,932,243
1949.....	62,230,168	50,991	2,550,351	1,412,330	2,294,712	2,209,032	30,285,046	107,792,738
1950.....	55,410,450	41,138	2,284,443	1,827,175	2,266,522	2,190,516	30,493,607	98,399,781
1951.....	48,310,890	6,721	2,044,300	2,267,675	2,290,214	2,058,897	29,061,560	92,798,640
1952.....	32,884,858	388	1,505,068	2,653,579	2,238,947	1,835,090	30,331,899	96,917,440

TABLE XII.—Selected data from annual reports of class I line-haul railways, 1952 and 1951 by districts

Item	All districts		Eastern district	
	Year ended Dec. 31—			
	1952	1951	1952	1951
Railway operating revenues (thousands)	\$10, 580, 762	\$10, 309, 611	\$3, 948, 474	\$3, 976, 665
Railway operating expenses:				
Total (thousands).....	\$8, 052, 518	\$8, 041, 277	\$3, 175, 756	\$3, 236, 863
Maintenance of way and structures (thousands).....	\$1, 519, 054	\$1, 478, 766	\$538, 252	\$528, 423
Maintenance of equipment (thousands).....	\$1, 953, 487	\$1, 945, 022	\$776, 261	\$802, 586
Transportation—Rail line (thousands).....	\$3, 909, 000	\$3, 974, 458	\$1, 620, 886	\$1, 674, 292
Net railway operating income (thousands).....	\$1, 078, 220	\$942, 542	\$341, 101	\$290, 476
Freight-service statistics:				
Freight revenue (thousands).....	\$8, 792, 632	\$8, 637, 893	\$3, 127, 685	\$3, 166, 514
Revenue tons originated (thousands).....	1, 382, 595	1, 477, 402	488, 104	538, 002
Total revenue tons carried (thousands).....	2, 626, 187	2, 790, 817	1, 126, 132	1, 231, 147
Revenue tons carried 1 mile (thousands).....	614, 753, 676	646, 620, 439	195, 935, 579	212, 736, 203
Revenue per ton-mile (cents).....	1. 43	1. 34	1. 60	1. 49
Revenue ton-miles per mile road.....	2, 722, 052	2, 860, 589	3, 682, 060	3, 989, 773
Freight train-miles (thousands).....	502, 891	528, 573	152, 741	164, 685
Revenue ton-miles per train-mile.....	1, 236	1, 238	1, 303	1, 314
Loaded car-miles (thousands).....	19, 826, 704	20, 614, 551	6, 061, 623	6, 477, 496
Empty car-miles (thousands).....	10, 798, 220	10, 601, 562	3, 293, 255	3, 284, 914
Ton-miles revenue and nonrevenue freight per loaded car-mile.....	32. 42	32. 87	33. 32	34. 03
Average haul per road (miles).....	232. 50	231. 70	174. 60	172. 80
Passenger-service statistics:				
Passenger revenue (thousands).....	\$906, 127	\$900, 239	\$464, 572	\$460, 885
Passengers carried (thousands).....	469, 537	483, 833	331, 074	341, 783
Passenger-miles (thousands).....	34, 009, 986	34, 613, 546	15, 625, 773	15, 935, 490
Revenue per passenger-mile (cents).....	2. 66	2. 60	2. 97	2. 89
Passenger-miles per mile of road.....	154, 299	156, 771	306, 899	311, 015
Average journey per passenger (miles).....	72. 43	71. 54	47. 20	46. 62
Passenger-miles per train-mile.....	99	97	115	114

Item	Southern district		Western district	
	Year ended Dec. 31—			
	1952	1951	1952	1951
Railway operating revenues (thousands)	\$2, 138, 604	\$2, 107, 061	\$4, 493, 684	\$4, 306, 885
Railway operating expenses:				
Total (thousands).....	\$1, 547, 525	\$1, 540, 142	\$3, 329, 237	\$3, 264, 272
Maintenance of way and structures (thousands).....	\$314, 850	\$309, 619	\$665, 952	\$640, 724
Maintenance of equipment (thousands).....	\$401, 938	\$390, 131	\$775, 288	\$752, 305
Transportation—Rail line (thousands).....	\$694, 852	\$710, 995	\$1, 593, 262	\$1, 589, 171
Net railway operating income (thousands).....	\$280, 286	\$248, 941	\$456, 833	\$403, 125
Freight-service statistics:				
Freight revenue (thousands).....	\$1, 848, 230	\$1, 820, 995	\$3, 816, 717	\$3, 650, 384
Revenue tons originated (thousands).....	385, 778	406, 092	508, 713	533, 308
Total revenue tons carried (thousands).....	637, 432	663, 609	862, 623	896, 061
Revenue tons carried 1 mile (thousands).....	144, 530, 309	153, 227, 543	274, 289, 788	280, 656, 693
Revenue per ton-mile (cents).....	1. 28	1. 19	1. 39	1. 30
Revenue ton-miles per mile of road.....	3, 156, 430	3, 329, 789	2, 162, 907	2, 215, 657
Freight train-miles (thousands).....	107, 751	116, 157	242, 399	247, 731
Revenue ton-miles per train-mile.....	1, 352	1, 330	1, 143	1, 146
Loaded car-miles (thousands).....	4, 105, 518	4, 315, 824	9, 659, 563	9, 821, 231
Empty car-miles (thousands).....	2, 444, 147	2, 457, 583	5, 060, 818	4, 859, 065
Ton-miles revenue and nonrevenue freight per loaded car-mile.....	36. 72	37. 14	30. 04	30. 24
Average haul per road (miles).....	221. 28	230. 90	315. 73	313. 21
Passenger-service statistics:				
Passenger revenue (thousands).....	\$137, 996	\$138, 987	\$303, 559	\$300, 367
Passengers carried (thousands).....	54, 971	59, 314	83, 492	82, 736
Passenger-miles (thousands).....	5, 223, 685	5, 536, 702	13, 160, 528	13, 141, 354
Revenue per passenger-mile (cents).....	2. 64	2. 51	2. 31	2. 29
Passenger-miles per mile of road.....	187, 712	124, 211	105, 180	105, 149
Average journey per passenger (miles).....	95. 03	93. 35	157. 62	158. 83
Passenger-miles per train-mile.....	88	90	88	85

B. Statistics From Monthly and Other Periodical Reports of Carriers

TABLE A.—*Analysis of operating revenues, expenses, and income, class I steam railways, excluding switching and terminal companies, 1953-52*

Item	8 months, January to August, inclusive		Calendar year
	1953	1952	1952
Operating revenues:			
Freight.....	\$6, 029, 798, 025	\$5, 623, 036, 966	\$8, 789, 283, 965
Passenger.....	576, 807, 585	620, 482, 687	906, 184, 580
Mail.....	199, 683, 540	203, 834, 879	319, 410, 550
Express.....	82, 917, 640	83, 366, 691	133, 921, 528
All other.....	288, 684, 501	280, 278, 387	432, 617, 522
Total.....	7, 177, 891, 291	6, 810, 999, 610	10, 581, 418, 145
Percent of total:			
Freight.....	84. 01	82. 56	83. 06
Passenger.....	8. 04	9. 11	8. 56
Mail.....	2. 78	2. 99	3. 02
Express.....	1. 15	1. 22	1. 27
All other.....	4. 02	4. 12	4. 09
Operating expenses:			
Maintenance of way and structures.....	1, 053, 162, 754	994, 960, 950	1, 519, 284, 688
Maintenance of equipment.....	1, 317, 930, 074	1, 286, 230, 642	1, 953, 550, 449
Traffic.....	152, 457, 893	146, 428, 771	220, 868, 396
Transportation.....	2, 582, 616, 628	2, 572, 851, 335	3, 909, 179, 917
General.....	225, 604, 264	211, 876, 117	322, 859, 216
All other.....	81, 946, 709	85, 999, 887	127, 260, 919
Total.....	5, 413, 718, 322	5, 298, 347, 702	8, 053, 003, 585
Percent of total:			
Maintenance of way and structures.....	19. 45	18. 78	18. 87
Maintenance of equipment.....	24. 35	24. 28	24. 26
Traffic.....	2. 82	2. 76	2. 74
Transportation.....	47. 70	48. 56	48. 54
General.....	4. 17	4. 00	4. 01
All other.....	1. 51	1. 62	1. 58
Railway tax accruals.....	\$862, 075, 835	\$780, 695, 889	\$1, 261, 741, 356
Equipment rents—debit.....	128, 890, 436	90, 501, 010	144, 987, 190
Joint facility rents—debit.....	28, 290, 419	28, 385, 177	43, 231, 068
Net railway operating income.....	744, 916, 279	613, 069, 834	1, 078, 454, 946
Other income.....	149, 474, 809	141, 182, 248	288, 639, 106
Interest, rents, and other deductions.....	323, 615, 231	321, 616, 688	542, 622, 615
Net income.....	570, 775, 857	432, 635, 394	824, 471, 437

TABLE B.—*Selected operating averages in freight and passenger service of class I steam railways in the United States, 1953-52*

Item	8 months, January to August, inclusive		Calendar year
	1953	1952	1952
Average miles of road operated, freight service.....	224,310	224,756	224,732
Average miles of road operated, passenger service.....	129,467	133,564	132,895
Net ton-miles per mile of road per day.....	7,850	7,669	7,837
Percent of freight locomotives unserviceable.....	14.2	17.3	16.9
Percent of freight cars unserviceable.....	4.7	5.0	4.9
Percent of loaded of total car-miles.....	64.6	64.5	64.7
Percent eastbound or northbound of loaded car-miles.....	54.8	55.5	55.3
Car-miles per car-day.....	43.5	42.0	42.8
Net ton-miles per car-day.....	902	882	901
Net ton-miles per loaded car-mile.....	32.1	32.6	32.5
Car-miles per train-mile.....	63.1	61.2	61.6
Gross ton-miles per train-mile (excluding locomotives and tenders).....	2,879	2,805	2,822
Net ton-miles per train-mile (including nonrevenue tons).....	1,308	1,288	1,296
Average miles per hour, trains in freight service.....	18.2	17.6	17.6
Pounds of coal per 1,000 gross ton-miles (including locomotives and tenders).....	115	116	116
Average cost of coal per ton (including freight charges).....	\$5.54	\$5.32	\$5.34
Revenue per ton-mile.....	\$0.01480	\$0.01407	\$0.01430
Average haul per revenue ton per railroad.....	233.1	237.1	233.2
Number of freight-train miles.....	330,708,445	330,501,417	503,179,652
Number of passenger-train miles.....	223,943,099	230,464,314	344,479,647
Number of passenger-train car-miles.....	2,193,009,284	2,251,067,188	3,377,370,003
Passenger-train cars per train.....	9.79	9.77	9.80
Revenue per passenger per mile:			
Including commutation passengers.....	\$0.0266	\$0.0266	\$0.0266
Excluding commutation passengers.....	\$0.0278	\$0.0279	\$0.0279

TABLE C.—*Average number of employees and total compensation, by groups of employees, class I steam railways, excluding switching and terminal companies, 1953-52*

Groups of employees	Calendar year 1952		8 months, January to August, inclusive	
	Average number of employees middle of month	Total compensation	Average number of employees middle of month	
			1953	1952
I. Executives, officials, and staff assistants.....	15,748	\$145,026,735	15,949	15,699
II. Professional, clerical, and general.....	209,148	870,280,039	209,070	208,968
III. Maintenance of way and structures.....	242,122	834,997,666	241,324	239,031
IV. Maintenance of equipment and stores.....	345,531	1,366,855,258	339,400	344,893
V. Transportation (other than train, engine, and yard).....	143,112	579,233,006	138,511	142,669
VI. (a) Transportation (yardmasters, switch tenders, and hostlers).....	15,993	92,336,392	15,775	16,057
VI. (b) Transportation (train and engine service).....	255,009	1,439,629,468	252,027	253,338
All employees.....	1,226,663	5,328,358,564	1,212,056	1,220,655

TABLE D.—*Carloads and tons of revenue freight originated and freight revenue, by commodities, calendar year 1952, class I steam railways*

Commodity groups	Number of carloads	Number of tons (2,000 pounds)	Freight revenue
Products of agriculture:			
Wheat.....	716, 440	39, 071, 540	\$256, 172, 839
Corn.....	381, 657	19, 840, 315	109, 513, 848
Other grains.....	309, 340	14, 399, 165	93, 724, 604
Flour, wheat.....	270, 331	9, 263, 981	69, 133, 457
Other mill products.....	290, 754	8, 577, 304	58, 145, 425
Cotton in bales.....	233, 310	4, 206, 595	59, 051, 925
Citrus fruits.....	92, 854	1, 969, 083	62, 701, 938
Other fresh fruits.....	229, 711	3, 106, 876	101, 234, 111
Potatoes, other than sweet.....	213, 885	4, 102, 524	82, 032, 207
Other fresh vegetables.....	242, 651	3, 151, 581	117, 830, 148
Sugar beets.....	144, 730	6, 480, 946	7, 478, 884
All other.....	777, 134	24, 245, 969	200, 914, 962
Total.....	3, 902, 797	138, 415, 879	1, 217, 934, 348
Animals and products:			
Live animals.....	481, 115	5, 246, 831	90, 122, 048
Meats and other edible packing-house products.....	351, 483	5, 301, 006	148, 782, 933
Poultry, live and dressed.....	10, 347	183, 170	6, 914, 551
Dairy products.....	33, 795	606, 328	14, 909, 715
Wool and mohair.....	16, 849	268, 838	8, 267, 828
Hides and leather.....	31, 039	822, 146	16, 726, 368
All other.....	67, 658	2, 173, 404	22, 840, 915
Total.....	992, 286	14, 601, 723	308, 564, 358
Products of mines:			
Anthracite coal ¹	538, 492	31, 992, 015	107, 413, 561
Bituminous coal.....	5, 888, 018	346, 187, 180	1, 160, 605, 575
Coke.....	593, 553	21, 991, 042	74, 794, 331
Iron ore.....	1, 703, 171	107, 427, 273	214, 689, 277
Other ores and concentrates.....	230, 810	13, 514, 047	69, 094, 714
Gravel and sand.....	1, 219, 353	72, 421, 006	109, 116, 172
Stone and rock: Broken, ground, and crushed.....	1, 007, 925	58, 626, 898	87, 736, 931
Fluxing stone and raw dolomite.....	270, 649	17, 647, 405	31, 102, 665
Crude petroleum.....	94, 434	3, 477, 423	17, 540, 985
Phosphate rock.....	370, 536	21, 732, 294	72, 527, 808
All other.....	1, 102, 344	57, 682, 837	240, 071, 504
Total.....	13, 049, 285	752, 699, 420	2, 184, 693, 523
Products of forests:			
Logs, butts, and bolts.....	346, 740	12, 623, 169	16, 952, 791
Posts, poles, and piling, wooden.....	130, 233	3, 816, 509	32, 551, 136
Pulpwood.....	764, 811	30, 865, 142	64, 232, 701
Lumber, shingles, and lath.....	809, 763	26, 217, 821	446, 242, 634
All other.....	340, 072	9, 957, 451	96, 515, 409
Total.....	2, 391, 619	83, 480, 092	656, 494, 671
Manufactures and miscellaneous:			
Refined petroleum products.....	1, 334, 512	38, 265, 740	295, 266, 668
Vegetable oils.....	102, 570	3, 099, 115	43, 935, 100
Chemicals.....	561, 982	23, 426, 888	267, 786, 704
Fertilizers, n. o. s.....	329, 346	13, 246, 648	70, 962, 703
Metals and alloys, other than iron and steel.....	136, 601	5, 640, 485	97, 706, 879
Pig iron.....	121, 436	6, 758, 147	30, 166, 295
Semi-finished iron and steel.....	314, 677	18, 030, 904	80, 608, 832
Manufactured iron and steel.....	1, 271, 343	46, 889, 099	581, 187, 460
Vehicles and parts, motor and other.....	754, 545	11, 455, 974	337, 985, 329
Cement, natural and portland.....	613, 336	30, 558, 728	143, 159, 461
Paper and paper products.....	961, 740	23, 460, 916	361, 266, 955
Alcoholic beverages.....	181, 464	5, 162, 121	93, 057, 163
Sugar.....	127, 425	5, 284, 837	48, 296, 044
Food products, n. o. s., in cans and packages, not frozen.....	408, 306	10, 926, 557	187, 880, 864
Feed, animal and poultry, n. o. s.....	632, 171	18, 675, 696	100, 334, 461
Containers, metal, wooden, and paper.....	535, 692	6, 698, 146	104, 554, 945
Scrap iron and steel.....	580, 278	24, 417, 665	128, 595, 818
All other.....	3, 145, 317	86, 929, 459	1, 300, 266, 874
Total.....	12, 112, 741	378, 927, 125	4, 273, 018, 555
Forwarder traffic.....	398, 567	5, 170, 159	193, 990, 199
Grand total carload traffic.....	32, 847, 295	1, 373, 294, 398	8, 834, 695, 654
All l. c. l. freight.....		9, 309, 759	351, 573, 963
Grand total, carload and l. c. l.....		1, 382, 604, 157	9, 186, 269, 617

¹ Excludes coal to breakers and washeries.

TABLE E.—*Summary of casualties to persons on steam railways in the United States, for the years ended Dec. 31, 1952, 1951, 1950, 1949, and 1948*

Class of persons	Number of persons									
	Killed					Injured				
	1952	1951	1950	1949	1948	1952	1951	1950	1949	1948
1. Trespassers.....	963	1, 049	1, 135	1, 180	1, 339	798	816	938	913	955
2. Employees:										
Trainmen on duty.....	191	219	175	212	299	10, 537	12, 226	10, 995	10, 336	14, 559
Other employees.....	113	116	118	141	178	1, 357	1, 584	1, 482	1, 532	1, 697
Total employees.....	304	335	293	353	477	11, 894	13, 810	12, 477	11, 868	16, 256
3. Passengers on trains.....	12	142	173	26	43	1, 992	3, 134	3, 350	2, 498	3, 518
4. Travelers not on trains.....	7	2	4	6	9	51	43	62	43	82
5. Persons carried under contract.....	4	10		5	7	200	207	230	219	307
6. Other nontrespassers.....	1, 503	1, 669	1, 652	1, 593	1, 697	4, 281	4, 597	4, 712	4, 062	4, 580
Total, train and train-service accidents (1 to 6).....	2, 793	3, 207	3, 257	3, 163	3, 572	19, 216	22, 607	21, 769	19, 603	25, 698
7. Casualties in nontrain accidents.....	133	151	141	144	196	10, 770	11, 830	11, 486	12, 508	17, 393
Total, 1 to 7.....	2, 926	3, 358	3, 398	3, 307	3, 768	29, 986	34, 437	33, 255	32, 111	43, 091
8. Casualties at grade crossings ¹	1, 407	1, 578	1, 576	1, 507	1, 612	3, 904	4, 335	4, 368	3, 774	4, 255
9. Casualties excluded from all totals ² ...	85	101	88	119	115	15	17	12	12	16

¹ Included in total for items 1 to 6, and distributed under various heads, chiefly item 6.² Figures relate to suicides, persons mentally deranged, and persons attempting to escape custody.

TABLE F.—Revenues, expenses, and income of class I motor carriers ¹ of property for the calendar year 1952 compared with those of the same carriers for 1951 ²

Item	Total carriers reported	
	1952	1951
<i>Intercity carriers</i>		
Number of carriers represented.....	1, 743	1, 743
Revenues:		
Freight revenue—Intercity—Common carrier.....	\$2, 779, 105, 625	\$2, 517, 810, 521
Freight revenue—Intercity—Contract carrier.....	167, 092, 012	159, 880, 937
Freight revenue—Local service.....	32, 393, 529	30, 239, 473
Revenue—Transportation for other class I motor carriers.....	22, 455, 816	19, 731, 640
Other operating revenue.....	15, 351, 815	13, 548, 075
Total operating revenues.....	3, 016, 398, 797	2, 741, 210, 646
Expenses:		
Equipment maintenance and garage expense.....	338, 027, 060	312, 527, 923
Transportation expense.....	1, 476, 289, 075	1, 296, 062, 831
Terminal expense.....	363, 704, 056	299, 070, 723
Traffic expense.....	78, 559, 304	67, 075, 715
Insurance and safety expense.....	157, 616, 659	141, 351, 360
Administrative and general expense.....	205, 164, 029	179, 977, 292
Total operation and maintenance expense.....	2, 619, 260, 183	2, 296, 065, 844
Depreciation expense.....	121, 113, 988	112, 484, 051
Depreciation adjustment.....	6, 477, 278	4, 847, 913
Amortization chargeable to operations.....	126, 759	144, 063
Operating taxes and licenses.....	145, 760, 558	125, 353, 036
Operating rents—net ³		83, 199, 896
Total expenses.....	2, 880, 784, 210	2, 612, 398, 977
Operating ratio (percent).....	95. 5	95. 3
Net operating revenue.....	\$135, 614, 587	\$128, 811, 669
Other income.....	12, 716, 210	9, 604, 379
Other deductions.....	21, 968, 339	18, 235, 390
Net income before income taxes.....	126, 362, 458	120, 180, 658
Net income after income taxes ⁴	66, 375, 120	61, 594, 756
<i>Local carriers</i>		
Number of carriers represented.....	392	392
Total operating revenues.....	\$284, 955, 857	\$272, 593, 844
Total expenses.....	274, 802, 259	261, 389, 513
Operating ratio (percent).....	96. 4	95. 9
Net operating revenue.....	\$10, 153, 598	\$11, 204, 331
Other income.....	7, 784, 910	6, 905, 267
Other deductions.....	3, 662, 430	2, 594, 083
Net income before income taxes.....	14, 276, 078	15, 515, 515
Net income after income taxes ⁴	9, 036, 646	9, 983, 197

¹ Class I motor carriers are those having average gross operating revenues of \$200,000 or over annually.

² This table does not include the reports of 194 carriers that failed to furnish completed reports. The total figures for these 194 carriers amounted to the following for the 12-month period: Operating revenues, \$97,007,378; Operation and maintenance expenses, \$81,623,829; Other expenses \$9,725,233; Total expenses, \$91,354,062; Net operating revenues, \$5,653,316; Net income before income taxes, \$5,467,790; Net income after income taxes, \$3,680,923.

³ This account canceled, effective January 1, 1952. Such rents are now included in the various Operation and Maintenance Expense accounts.

⁴ Net income is overstated to the extent that income taxes are reported by corporations only. Income taxes of sole proprietorships and partnerships involve factors that do not arise from motor-carrier operations and, therefore, are not reported to the Commission.

TABLE G.—Revenues, expenses, and income of class I motor carriers ¹ of passengers for the calendar year 1952 compared with those of the same carriers for 1951 ²

Item	Total carriers reported	
	1952	1951
<i>Intercity carriers</i>		
Number of carriers represented.....	167	167
Operating revenues:		
Passenger revenue—Intercity schedules.....	\$345,310,429	\$346,476,430
Passenger revenue—Local and suburban schedules.....	19,413,560	20,923,092
Passenger revenue—Charter or special service.....	18,921,442	15,115,740
Other operating revenue.....	19,215,486	17,277,696
Total operating revenues.....	402,860,917	399,792,958
Operating expenses:		
Equipment maintenance and garage expense.....	71,813,601	73,968,182
Transportation expense.....	120,853,582	120,193,403
Station expense.....	42,340,731	41,483,179
Traffic, solicitation, and advertising expense.....	13,315,264	12,456,437
Insurance and safety expense.....	15,153,871	15,008,642
Administrative and general expense.....	26,861,621	26,589,053
Total operation and maintenance expense.....	290,338,670	289,698,896
Depreciation expense.....	27,268,389	26,785,971
Amortization chargeable to operations.....	52,461	27,834
Operating taxes and licenses.....	32,487,708	31,363,325
Operating rents—net.....	4,768,910	4,427,013
Total expenses.....	354,916,138	352,303,039
Operating ratio (percent).....	88.1	88.1
Net operating revenue.....	\$47,944,779	\$47,489,919
Other income.....	1,971,222	5,451,674
Other deductions.....	2,467,366	2,537,490
Net income before income taxes.....	47,448,635	50,404,103
Net income after income taxes ³	22,626,979	25,538,192
<i>Local carriers</i>		
Number of carriers represented.....	70	70
Total operating revenues.....	\$87,590,790	\$89,626,020
Total expenses.....	\$86,860,990	\$88,109,570
Operating ratio (percent).....	99.2	98.3
Net operating revenue.....	\$729,800	\$1,516,450
Other income.....	1,421,859	1,243,519
Other deductions.....	1,243,412	1,201,883
Net income before income taxes.....	908,247	1,558,086
Net income after taxes ³	275,097	630,601

¹ Class I motor carriers are those having average gross operating revenues of \$200,000 or over annually.² This table does not include the reports of 2 carriers that failed to furnish complete reports. The total figures for these 2 carriers amounted to the following for the 12-month period: Operating revenues, \$2,939,494; operations and maintenance expenses, \$2,413,706; other expenses, \$387,885; total expenses, \$2,801,591; net operating revenues, \$137,903; net income before income taxes, \$110,224; net income after income taxes, \$53,792.³ Net income is overstated to the extent that income taxes are reported by corporations only. Income taxes of sole proprietorships and partnerships involve factors that do not arise from motor-carrier operations and, therefore, are not reported to the Commission.

TABLE H.—*Revenues, expenses, and statistics of freight forwarders for the years 1952 and 1951*¹

Item	Total carriers reported	
	1952	1951
Number of forwarders represented.....	61	61
Operating revenues:		
Transportation revenue.....	\$372, 167, 489	\$333, 904, 532
Transportation purchased—dr.:		
Railroad transportation.....	198, 102, 043	177, 229, 120
Motor transportation.....	44, 813, 592	42, 224, 121
Water transportation.....	1, 461, 512	1, 828, 376
Pickup, delivery, and transfer service.....	36, 721, 385	34, 152, 865
Other transportation purchased.....	123, 932	95, 318
Total transportation purchased.....	281, 222, 464	255, 529, 800
Forwarder revenue from transportation.....	90, 945, 025	78, 374, 732
Incidental revenues.....	1, 804, 093	1, 745, 600
Total operating revenues.....	92, 749, 118	80, 120, 332
Operating expenses:		
Salaries, wages, and expenses of employees.....	49, 376, 716	44, 199, 771
Paid to others for services rendered.....	19, 018, 294	15, 873, 865
Operating rents.....	3, 301, 847	2, 607, 857
Communications and postage.....	3, 122, 783	2, 724, 496
Payroll taxes.....	2, 071, 794	1, 631, 304
All other operating expenses.....	8, 293, 933	7, 305, 056
Total operating expenses.....	85, 185, 367	74, 342, 349
Income items:		
Revenue from forwarder operations.....	7, 563, 751	5, 777, 983
Transportation tax accruals.....	298, 996	248, 469
Revenue, less taxes, from forwarder operations.....	7, 264, 755	5, 529, 514
Other income.....	2, 341, 360	2, 141, 550
Total income.....	9, 606, 115	7, 671, 064
Miscellaneous deductions from income.....	2, 177, 537	2, 067, 041
Net income before fixed charges and income taxes.....	7, 428, 578	5, 604, 023
Fixed charges:		
Interest on long-term debt.....	6, 699	8, 333
Other fixed charges.....	68, 616	18, 495
Total fixed charges.....	75, 315	26, 828
Net income before provisions for income taxes.....	7, 353, 263	5, 577, 195
Provisions for income taxes.....	3, 350, 219	2, 217, 280
Net income.....	4, 003, 044	3, 359, 915
Statistics:		
Tons of freight received from shippers.....	4, 838, 242	4, 835, 949
Number of shipments received from shippers.....	23, 866, 318	20, 536, 877

¹ Confined to forwarders having gross revenues of \$100,000 or more per annum.

TABLE I.—*Selected statistics of private car owners,¹ year 1952*

Item	Refrigerator cars	Tank cars		Other cars ²	Total
		Petroleum	Other		
Cars owned at close of year.....	108,662	119,808	24,492	33,370	286,332
Serviceable cars.....	102,344	115,588	23,697	32,690	274,319
Unserviceable cars.....	6,318	4,220	795	680	12,013
Miles made by owned cars (thousands):					
Loaded.....	2,028,318	948,894	169,258	74,324	3,220,824
Empty.....	1,520,926	953,180	169,352	71,129	2,714,587
Not separable.....	216,803	55,249	16,375	5,018	293,445
Total.....	3,766,077	1,957,323	354,985	150,471	6,228,856
Revenue receivable, on (thousands):					
Car mileage basis.....	\$110,923	\$50,813	\$9,168	\$2,980	\$173,884
Car rental basis.....	2,765	13,632	735	14,349	31,481
Other car service basis.....	78	23	118	-----	219
Total.....	113,766	64,468	10,021	17,329	205,584

¹ Confined to owners of 10 or more cars. Compiled from reports of 239 owners.² Includes such cars as stock, gondola, hopper, air dump, box, cradle, flat, vat, et cetera.TABLE J.—*Selected financial and operating data of oil pipeline companies, 1952, 1951, and 1950*

Item	1952	1951	1950
Miles of line operated:			
Gathering lines.....	48,522	47,629	47,593
Trunk lines.....	84,193	83,828	80,996
Investment in carrier property.....	\$2,064,404,887	\$1,821,880,388	\$1,655,972,861
Capital stock ¹	\$290,596,066	\$281,461,485	\$236,078,523
Funded debt unmaturred ¹	\$732,952,510	\$477,798,487	\$424,237,743
Accrued depreciation—Carrier property ²	\$799,618,697	\$765,114,863	\$724,991,024
Operating revenues.....	\$562,268,268	\$523,973,195	\$441,627,281
Operating expenses.....	\$310,312,118	\$290,143,933	\$254,701,469
Pipeline taxes:			
U. S. Government taxes.....	\$122,047,828	\$125,038,779	\$82,464,111
Other than U. S. Government taxes.....	\$18,857,058	\$17,525,783	\$15,414,366
Pipeline operating income.....	\$111,051,264	\$91,264,700	\$89,047,335
Net income.....	\$96,648,106	\$82,006,208	\$81,303,156
Dividend appropriations ¹	\$39,494,761	\$26,718,871	\$51,235,495
Number of barrels of oil received into system.....	3,383,479,860	3,216,502,257	2,766,409,702
Number of barrel-miles (trunk lines):			
Crude oil (thousands).....	714,722,720	694,723,304	577,054,200
Refined oils (thousands).....	142,425,912	122,188,184	106,648,715
Total employees:			
Average number.....	27,599	27,175	26,222
Compensation.....	\$139,761,454	\$128,200,556	\$114,556,137

¹ Excludes data for 11 companies in 1952; 12 companies in 1951; and 13 companies in 1950, as the annual reports filed by these companies relate to pipeline departments of large oil companies and these items are not segregated for the pipeline departments.² Includes "Amortization reserve" as follows: 1952, \$64,552,064; 1951, \$66,850,867; and 1950, \$69,785,479.TABLE K.—*Revenues and traffic of carriers by water, 1952 and 1951 ¹*

Item	1952	1951
Freight revenue.....	\$255,009,110	\$249,007,325
Number of tons of revenue freight carried.....	82,835,641	84,914,911
Passenger revenue.....	\$11,526,359	\$10,813,316
Number of revenue passengers carried.....	8,698,578	8,301,177

¹ Compiled from quarterly reports of 122 carriers of classes A and B.

TABLE L.—*Selected financial and operating data of electric railways, 1952, 1951, and 1950*

Item	1952	1951	1950
Miles of road operated.....	1,725	1,780	1,859
Investment in road and equipment.....	\$255,108,555	\$256,247,876	\$264,209,038
Capital stock.....	\$95,675,359	\$95,282,049	\$95,669,517
Unmatured funded debt.....	\$21,610,876	\$39,431,982	\$41,147,324
Accrued depreciation—Road and equipment.....	\$61,039,283	\$61,751,846	\$61,710,994
Railway operating revenues:			
Freight revenue.....	\$39,368,606	\$39,472,451	\$36,417,037
Passenger revenue.....	\$30,060,189	\$29,367,587	\$30,006,990
All other revenues.....	\$12,354,287	\$12,364,801	\$12,317,956
Total railway operating revenues.....	\$81,783,082	\$81,204,839	\$78,741,983
Total railway operating expenses.....	\$73,826,036	\$71,242,571	\$68,512,110
Taxes assignable to railway operations:			
Other than U. S. Government taxes.....	\$2,581,801	\$2,663,871	\$2,654,242
U. S. Government taxes.....	\$4,912,438	\$4,423,254	\$4,224,294
Operating income.....	\$555,676	\$2,987,946	\$3,450,529
Net income.....	\$739,895	\$2,319,423	\$2,724,117
Dividends declared.....	\$1,815,809	\$1,585,625	\$1,863,981
Employees:			
Average number.....	11,738	11,836	12,234
Compensation.....	\$47,914,693	\$45,690,445	\$42,972,332

APPENDIX D

AUTHORIZATIONS UNDER VARIOUS SECTIONS OF THE INTERSTATE COMMERCE AND TRANSPORTATION ACTS, AND LOANS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

*Certificates of convenience and necessity for construction of lines of railroad under
section 1 (18) of the Interstate Commerce Act, as amended*

Name of applicant	Location of line	Miles
Arkansas & La. Mo. Ry. Co.....	Ouachita and Union Parishes, La.....	1. 650
Bevier & S. R. Co.....	Macon and Randolph Counties, Mo.....	4. 790
Chicago, B. & Q. R. Co.....	Norton County, Kans.....	1. 376
Chicago, S. S. & S. B. R. Co.....	Lake County, Ind.....	4. 310
Great Northern Ry. Co.....	Minnehaha County, S. Dak.....	1. 000
Louisiana & Arkansas Ry. Co.....	Pointe Coupee Parish, La.....	6. 000
Missouri Pac. R. Co., trustee.....	Pulaski County, Ark.....	1. 490
Do.....	Calcasieu Parish, La.....	3. 850
Do.....	Phillips County, Kans.....	9. 860
Nicholas, F. & G. R. Co.....	Greenbrier and Fayette Counties, W. Va.....	11. 900
Omaha, L. & B. Ry. Co.....	Lancaster County, Nebr.....	. 076
Pittsburgh, O. V. & C. R. Co., and Pennsyl- vania R. Co.....	Belmont County, Ohio.....	8. 000
Oregon S. L. R. Co., and Union Pac. R. Co.....	Salt Lake County, Utah.....	1. 720
Texas & N. O. R. Co., and Gulf, C. & S. F. Ry. Co.....	Fort Bend and Brazoria Counties, Tex.....	8. 500
Total number of miles.....		64. 522

	<i>Miles</i>
22 applications filed involving.....	161. 040
13 certificates issued authorizing construction of.....	64. 522
3 applications denied involving.....	10. 490
2 applications dismissed involving.....	15. 050
Authorized since effective date of act.....	11, 022
Portion thereof actually constructed.....	8, 042
Portion thereof deferred or abandoned.....	2, 897
Portion in which time for construction has not expired.....	82

*Certificates of convenience and necessity for abandonment of lines of railroad or
the operation thereof, issued under section 1 (18) of the Interstate Commerce Act,
as amended*

Name of applicant	Location of line	Miles
Atchison, T. & S. F. Ry. Co., Chicago, B. & Q. R. Co., Chicago, R. I. & P. R. Co., Colo- rado & S. Ry. Co., and Denver & R. G. W. R. Co.....	Denver and Jefferson Counties, Colo.....	6. 490
Atlantic Coast Line R. Co.....	Beaufort and Pamlico Counties, N. C.....	39. 560
Bessemer & L. E. R. Co.....	Crawford County, Pa.....	3. 480
California, A. & S. F. Ry. Co., and Atchison, T. & S. F. Ry. Co.....	Kern County, Calif.....	28. 470
Canton & C. R. Co.....	Madison and Rankin Counties, Miss.....	10. 250
Central of Georgia Ry. Co.....	Walker and Catoosa Counties, Ga.....	2. 416
Central R. Co. of Pennsylvania.....	Northampton, Lehigh, Carbon, Luzerne, Schuylkill, and Lackawanna Counties, Pa.....	222. 960
Chesapeake & Ohio Ry. Co.....	Cook County, Ill.....	11. 340
Chicago, B. & Q. R. Co.....	Massac County, Ill.....	1. 125
Do.....	Norton County, Kans.....	18. 110
Chicago, M. St. P. & P. R. Co.....	Bureau County, Ill.....	2. 700
Do.....	Clinton and Jackson Counties, Ia.....	9. 200
Do.....	Clallam County, Wash.....	17. 500
Chicago, R. I. & P. R. Co.....	Codington and Deuel Counties, S. Dak.....	24. 120
Chicago, S. S. & S. R. R. Co.....	Lake County, Ind.....	4. 230
Denver & R. G. W. R. Co.....	Huerfano County, Colo.....	1. 180
Denver & I. R. Co.....	Denver and Jefferson Counties, Colo.....	15. 770
Detroit, C. & S. Ry. Co.....	Sanilac and Tuscola Counties, Mich.....	31. 120
Erie R. Co.....	Tioga County, Pa.....	2. 860
Do.....	Mahoning County, Ohio.....	2. 100

Certificates of convenience and necessity for abandonment of lines of railroad or the operation thereof, issued under section 1 (18) of the Interstate Commerce Act, as amended—Continued

Name of applicant	Location of line	Miles
Great Northern Ry. Co.....	Flathead County, Mont.....	20. 180
Do.....	Minnehaha County, S. Dak.....	1. 780
Hooppole, Y. & T. R. Co.....	Henry, Bureau and Whiteside Counties, Ill.....	11. 910
Illinois Central R. Co.....	Massac County, Ill., and McCracken County, Ky.....	3. 223
Illinois T. R. Co.....	Macon, DeWitt, McLean, and Tazewell Counties, Ill.....	59. 640
Do.....	Madison and Jersey Counties, Ill.....	15. 243
Lehigh Valley R. Co.....	Cayuga County, N. Y.....	12. 430
Do.....	Carbon and Schuylkill Counties, Pa.....	37. 589
Do.....	Monroe County, N. Y.....	. 305
Do.....	Schuylkill County, Pa.....	3. 277
Long Island R. Co., trustee.....	Queens County, N. Y.....	4. 600
Do.....	do.....	11. 450
Longview, P. & N. Ry. Co.....	Lewis and Cowlitz Counties, Wash.....	31. 000
Louisiana & Arkansas Ry. Co., and Texas & Pac. Ry. Co.....	Pointe Coupee Parish, La.....	10. 640
Maine Central R. Co.....	Somerset County, Maine.....	. 440
Minneapolis, St. P. & S. S. M. R. Co.....	Mountrail County, N. Dak.....	14. 128
Missouri Pac. R. Co., trustee.....	Calcasieu Parish, La.....	3. 500
Do.....	Phillips County, Kans.....	10. 260
Do.....	Miller County, Mo.....	9. 870
Monongahela Ry. Co.....	Monongalia County, W. Va.....	1. 420
Mount Carmel R. Co., and Reading Co.....	Northumberland County, Pa.....	5. 900
Narragansett Pier R. Co.....	Washington County, R. I.....	2. 250
New York Central R. Co.....	Monroe County, Mich.....	7. 400
Do.....	Albany County, N. Y.....	9. 660
Do.....	Tioga County, Pa.....	2. 860
New York, N. H. & H. R. Co.....	Plymouth and Bristol Counties, Mass.....	12. 800
Do.....	Middlesex and Worcester Counties, Mass.....	6. 120
Northern Pac. Ry. Co.....	Grays Harbor County, Wash.....	. 272
Omaha, L. & B. Ry. Co.....	Lancaster County, Nebr.....	3. 000
Oregon S. L. R. Co., and Union Pac. R. Co.....	Davis County, Utah.....	2. 340
Oregon-Washington R. & N. Co., and Union Pac. R. Co.....	Shoshone County, Idaho.....	1. 220
Osage Ry. Co.....	Osage County, Okla.....	17. 710
Pacific Electric Ry. Co.....	Los Angeles County, Calif.....	16. 150
Do.....	San Bernardino County, Calif.....	5. 180
Pennsylvania R. Co.....	Westmoreland and Indiana Counties, Pa.....	1. 799
Pittsburgh, C. & Y. Ry. Co.....	Allegheny County, Pa.....	1. 540
Port Angeles W. R. Co.....	Clallam County, Wash.....	63. 300
Reading Co.....	Schuylkill County, Pa.....	1. 500
Do.....	do.....	. 364
Do.....	Northumberland County, Pa.....	. 240
Do.....	do.....	6. 800
Rutland Ry. Corp.....	Bennington County, Vt., and Rensselaer and Columbia Counties, N. Y.....	57. 240
St. Joseph & G. I. Ry. Co., and Union Pac. R. Co.....	Doniphan County, Kans.....	6. 846
St. Joseph & G. I. Ry. Co., Union Pac. R. Co., and Chicago, R. I. & P. R. Co.....	do.....	. 937
St. Louis Southwestern Ry. Co. of Texas.....	Grayson, Fannin, and Hunt Counties, Tex.....	51. 240
San Luis V. S. Ry. Co.....	Costilla County, Colo.....	31. 530
Southern Pac. Co.....	Alameda County, Calif.....	1. 929
Southern Pac. R. Co., and Southern Pac. Co.....	Glenn County, Calif.....	6. 184
Stockton T. & E. R.....	San Joaquin County, Calif.....	2. 700
Suncook Valley R.....	Merrimack County, N. H.....	24. 880
Tama & T. R. Co.....	Tama County, Iowa.....	3. 500
Tidewater S. Ry. Co.....	Stanislaus and Merced Counties, Calif.....	5. 595
Transylvania R. Co., and Southern Ry. Co.....	Transylvania County, N. C.....	9. 800
Valley R. Co.....	McKean County, Pa.....	. 570
Visalia Elec. R. Co.....	Tulare County, Calif.....	4. 362
Western New York & Pennsylvania Ry. Co., and Pennsylvania R. Co.....	McKean County, Pa.....	4. 370
West Jersey & S. R. Co., and Pennsylvania-Reading S. L.....	Cumberland County, N. J.....	3. 730
Total number of miles.....		1, 101. 684

Miles

72 applications filed involving.....	976. 006
77 certificates issued permitting abandonment of.....	1, 101. 684
1 application denied involving.....	6. 220
5 applications dismissed involving.....	64. 587
Abandonments permitted since effective date of act.....	38, 344

Certificates of convenience and necessity for acquisition and/or operation of lines of railroad issued under section 1 (18) of the Interstate Commerce Act, as amended

Name of applicant	Location of line	Miles
California, A. & S. F. Ry. Co., and Atchison, T. & S. F. Ry. Co.	Kern County, Calif.	25.740
Canton & C. R. Co.	Leake County, Miss.	1.700
Great Northern Ry. Co.	Douglas County, Wis.	2.200
Harris County H. S. C. N. Dist.	Harris County, Tex.	4.419
Macon, D. & S. R. Co.	Laurens County, Ga.	.187
Minneapolis, St. P. & S. S. M. R. Co.	Mountrail County, N. Dak.	13.665
Do.	Barnes County, N. Dak.	1.400
Savannah State Docks R. Co.	Chatham County, Ga.	1.288
Total number of miles.		50.599

	<i>Miles</i>
9 applications filed involving	81.996
8 certificates issued involving	50.599

Authorizations under section 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties

Acquiring carrier	Owning carrier	Miles	How acquired
Atlantic & D. Ry. Co.	Southern Ry. Co.	2.360	Trackage rights.
Arkansas & La. Mo. Ry. Co.	Missouri Pac. R. Co.	13.500	Do.
Baltimore & O. R. Co.	Buffalo & S. R. Corp.	171.880	Purchase.
Boston & M. R.	Boston & A. R.	11.100	Trackage rights.
Buffalo & S. R. Corp.	Wellsville, C. & P. C. R. Co., and Addison & S. R. Co.	19.880	Purchase.
Central of Georgia Ry. Co.	South Western R. Co.	331.360	Ownership of stock.
Central R. Co. of New Jersey.	Central R. Co. of Pennsylvania.	4.430	Lease.
Chicago, B. & Q. R. Co.	Kansas City & B. R. Co.	42.580	Purchase.
Do.	Hannibal U. D. Co.	.812	Do.
Do.	Chicago, R. I. & P. R. Co.	18.160	Trackage rights.
Erie R. Co.	Lehigh Valley R. Co.	2.917	Do.
Do.	Paterson & H. R. R. Co.	13.070	Purchase.
Do.	Sharon Ry.	32.660	Do.
Do.	Bessemer & L. E. R. Co.	.775	Purchase and trackage rights.
Fort Dodge, D. M. & S. R. Co.	Des Moines W. Ry. Co.	5.890	Lease.
Great Northern Ry. Co.	Chicago, M., St. P. & P. R. Co.	1.770	Trackage rights.
Illinois Central R. Co.	Canton, A. & N. R. Co.	87.890	Purchase.
Illinois Central R. Co., and Mississippi V. Corp.	Alabama & V. Ry. Co.	141.000	Ownership of stock.
Do.	Vicksburg, S. & P. R. Co.	186.620	Do.
Manistee & N. E. Ry. Co.	Leelanau T. Co.	24.040	Lease.
Missouri Pac. R. Co.	Arkansas & La. Mo. Ry. Co.	1.000	Trackage rights.
Montour R. Co.	Pittsburgh & West Virginia Ry. Co.	2.930	Do.
Narragansett Pier R. Co., Inc.	Narragansett Pier R. Co.	8.030	Purchase.
National Container Corp. ¹	Valdosta S. R.	27.440	Ownership of stock.
New Orleans & N. E. R. Co.	New Orleans T. Co.	91.950	Do.
Do.	Louisiana S. Ry. Co.	14.600	Do.
New York Central R. Co., Chesapeake & O. Ry. Co., and Allegheny Corp.	Nicholas, F. & G. R. Co.	11.900	Joint lease.
Northern Pac. Ry. Co.	Chicago, M., St. P. & P. R. Co., Oregon-Washington R. & N. Co., and Union Pac. R. Co.	.695	Joint use.
Omaha, L. & B. Ry. Co.	Chicago, R. I. & P. R. Co.	1.800	Lease.
Pennsylvania R. Co.	United New Jersey R. & C. Co.	164.720	Ownership of stock.

¹ Holding company.

Authorizations under section 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties—Continued

Acquiring carrier	Owning carrier	Miles	How acquired
Port Term. R. Assn.-----	Harris County H. S. C. N. Dist.	4.419	Lease.
Rahway Valley Co.-----	Rahway Valley R. Co., and Rahway Valley Line.	11.730	Do.
Reading Co.-----	North Pennsylvania R. Co.---	94.030	Do.
Do-----	Central R. Co. of New Jersey--	619.000	Ownership of stock.
Do-----	Catawissa R. Co.-----	96.440	Merger.
Rutland Ry. Corp.-----	Boston & M. R., Troy, U. R. Co., and New York Central R. Co.	59.760	Trackage rights.
St. Louis M. B. Term. R. Co.---	Madison, I. & St. L. R. Co.---	7.622	Purchase.
St. Louis S. W. Ry. Co.-----	Texas & N. O. R. Co.-----	46.230	Trackage rights.
Southern Pac. Co.-----	Alameda B. L.-----	2.039	Do.
Southern Ry. Co.-----	Atlantic & D. Ry. Co.-----	.710	Joint ownership.
Terminal R. Assn. of St. Louis---	St. Louis Term. Ry. Co.-----	7.299	Purchase.
Do-----	Terminal R. of E. St. Louis, Granite City & M. B. L. R. Co., St. Louis, B. & T. Ry. Co., Illinois T. R. Co., East St. Louis & C. Ry. and East St. Louis B. R. Co.	32.846	Do.
Texas & Pac. Ry. Co.-----	Louisiana & A. Ry. Co.-----	6.000	Trackage rights.
Texas Pac.-Missouri Pac. T. R. of New Orleans.	Texas & Pac. Ry. Co.-----	4.000	Lease and joint use.
Toledo, P. & W. R. Co. (Del.)----	Toledo, P. & W. R. Co. (Ill.)--	230.580	Purchase.
Do-----	Chicago, B. & Q. R. Co.-----	2.900	Trackage rights.
Union R. Co.-----	Bessemer & L. E. R. Co.-----	8.320	Purchase.
Valdosta S. R.-----	Georgia & Florida R.-----	27.440	Do.
Western Maryland Ry. Co.-----	Cumberland & P. R. Co.-----	52.190	Merger.
Wrightsville & T. R. Co.-----	Macon, D. & S. R. Co.-----	.187	Joint use.

45 applications filed.

48 authorizations granted.

2 application dismissed.

Authorizations issued under section 5 (2) of the Interstate Commerce Act, as amended, involving water carriers

Acquiring carrier	Owning carrier	Service	How acquired
Commercial B. L., Inc., and Walter F. Carey ¹ et al.	Greene L. S., Inc.-----	Ohio River-----	Purchase.
Dauntless T. L.-----	Eastern T. Co.-----	Atlantic coast-----	Do.
Shaver T. Co.-----	Portland T. & B. Co.-----	Columbia River--	Do.

¹ Individuals.

5 applications filed.

3 authorizations granted.

1 application dismissed.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20a of the Interstate Commerce Act, as amended

Stock, common:

For acquisition of equipment.....	\$50, 000
For acquisition of equipment, construction of facilities and for additional working capital.....	160, 000
For acquisition of properties and franchises of another company and to provide working capital.....	15, 000
For acquisition of property and for working capital.....	50, 000
For acquisition of property of another company and for other corporate purposes.....	1, 000, 000
For acquisition of property, rights, etc., of another company.....	3, 600, 000
For capital purposes.....	2, 035, 000
	¹ 160, 000
For conversion.....	453, 872
For corporate purposes.....	2, 000, 000
For stock dividend.....	6, 474, 780
For stock split-up.....	97, 979, 000
	¹ 1, 950, 520
Total.....	113, 817, 652
	¹ 2, 110, 520

Stock, preferred:

For exchange for preferred stock.....	¹ 28, 367
For stock split-up.....	70, 500, 000
Total stock.....	184, 317, 652
	¹ 2, 138, 887

Debentures:

For exchange for preferred stock.....	10, 000, 000
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Bonds, income mortgage:

For reimbursement of treasury and for pledge.....	290, 000
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Bonds, mortgage:

For construction and improvements.....	77, 000
For extension of maturity.....	3, 800, 000
For pledge.....	1, 000, 000
For refunding purposes.....	60, 000, 000
For refunding purposes and for additional working capital.....	10, 000, 000
For refunding and other capital purposes.....	3, 000, 000
Assumption of obligation and liability in respect of \$20,050,000.....	

Total.....	77, 877, 000
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Total bonds.....	78, 167, 000
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Notes, equipment-trust:

For acquisition of equipment.....	1, 030, 000
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Notes, secured:

For payment of indebtedness and to replenish working capital.....	4, 000, 000
For replenishment of working capital.....	210, 000
For reorganization.....	3, 500, 000

Total.....	7, 710, 000
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¹ Shares without par or nominal value.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20a of the Interstate Commerce Act, as amended—Continued

Notes, unsecured:

For acquisition of equipment.....	\$7, 640, 000
For acquisition of equipment and for additional working capital.....	1, 195, 000
For acquisition of property.....	4, 900, 000
For additional working capital.....	750, 000
For additions and betterments.....	319, 250
For construction and improvements.....	600, 000
For payment of indebtedness and reimbursement of treasury.....	130, 000
For refunding purposes.....	9, 176, 193
For replenishment of working capital.....	80, 000

Total.....	24, 790, 443
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Total notes.....	33, 530, 443
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Equipment obligations:

Assumed by carriers.....	238, 347, 000
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Grand total securities.....	544, 362, 095
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	¹ 2, 138, 887
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¹ Shares without par or nominal value.

109 applications filed.

98 applications approved.

2 applications dismissed.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of others under section 214 of the Interstate Commerce Act, as amended

Stock, common:

For conversion rights.....	\$382, 830
For exchange for common stock.....	5, 940, 488
For exchange for stock of another company.....	182, 225
For prevention of dilution of certain stock purchase options and any shares issued upon exercise of such options.....	2, 500
For reimbursement of treasury for capital expenditures.....	572, 500
For replacement of void stock.....	1, 414, 590
For stock dividend.....	4, 689, 638
For stock splitup.....	2, 723, 200
Total.....	<u>15, 907, 971</u>

Stock, preferred:

For exchange for stock of another company.....	1, 041, 300
Total stock.....	<u>16, 949, 271</u>

Debentures:

For exchange for common stock.....	5, 940, 488
For payment of indebtedness, acquisition of equipment and to provide additional working capital.....	1, 100, 000
Total.....	<u>7, 040, 488</u>

Bonds, mortgage:

For extension of maturity and to increase interest rate.....	5, 162, 000
For construction of terminal facilities.....	200, 000
Total.....	<u>5, 362, 000</u>

Notes, secured:

For acquisition of equipment.....	150, 000
For acquisition of equipment and for reimbursement of treasury.....	160, 000
For acquisition of property.....	60, 000
For additional working capital.....	250, 000
For construction of facilities.....	260, 000
For payment of indebtedness.....	1, 950, 000
For reimbursement of treasury for acquisition, construction, etc. of facilities.....	950, 000

Assumption of obligation and liability in respect of \$220,000.

Total.....	<u>3, 780, 000</u>
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Notes, unsecured:

For payment of indebtedness.....	300, 000
For payment of indebtedness and to provide additional working capital.....	400, 000
Total.....	<u>700, 000</u>

Total notes.....	<u>4, 480, 000</u>
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Grand total securities.....	<u>33, 831, 759</u>
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35 applications filed.

21 applications approved.

2 applications denied.

4 applications dismissed.

Bond issues sold at competitive bidding, authorized under section 20a of the Interstate Commerce Act, as amended, from Nov. 1, 1952, to Oct. 31, 1953

Name of company and description of issue	Year	Principal amount	Cou- pon rate	Date bids opened	Num- ber bids	Price to com- pany	Inter- est cost	Price to pub- lic	Gross spread
North Pennsylvania Railroad Company: Mortgage bonds.....	1972	\$6,000,000	Per- cent 3%	Nov. 19, 1952	3	100.217	Per- cent 3.61	-----	-----
Detroit & Toledo Shore Line Railroad Company: First-mortgage bonds, se- ries A.....	1982	3,000,000	3¼	Nov. 18, 1952	8	99.47	3.28	-----	-----
Southern Railway Company and New Orleans & North-eastern Railroad Company: Joint bonds.....	1977	15,000,000	3¾	Dec. 11, 1952	3	99.091	3.81	-----	-----
New Orleans Terminal Com- pany: First-mortgage bonds.....	1977	8,000,000	3¾	Dec. 4, 1952	4	98.4399	3.85	99.197	0.7571
New York, New Haven & Hartford Railroad Com- pany: Harlem River division first-mortgage bonds, series A.....	1973	14,000,000	4¼	Jan. 7, 1953	5	97.548	4.44	98.673	1.125
New York, Chicago & St. Louis Railroad Company: Refunding mortgage bonds, series G.....	1978	10,000,000	3%	Feb. 10, 1953	5	98.9099	3.69	100.00	1.0901
Maine Central Railroad Com- pany: First-mortgage and col- lateral bonds.....	1978	17,000,000	5½	Feb. 25, 1953	1	97.15	5.33	99.625	2.475

APPENDIX E

RAILROAD COMPANIES IN REORGANIZATION (OR RECEIVERSHIP) PROCEEDINGS

	<i>Miles of line op- erated¹</i>
Proceedings under section 77 of the Bankruptcy Act:	
Boston & Providence Railroad Corporation ² -----	571
Florida East Coast Railway Company-----	76
Huntingdon & Broad Top Mountain Railroad and Coal Company, The ³ -----	19
Lackawanna and Wyoming Valley Railroad Company, The-----	365
Long Island Rail Road Company, The-----	9,765
Missouri Pacific Railroad system-----	38
New Jersey & New York Railroad Company-----	541
New York, Ontario & Western Railway Company-----	365
Port Angeles Western Railroad Company ⁴ -----	9,765
Smithfield Terminal Railway Company ⁵ -----	38
Wisconsin Central Railway Company ⁶ -----	541
Receivership proceedings:	
Georgia & Florida Railroad-----	360
Smoky Mountain Railroad-----	31
Tallulah Falls Railway Company-----	57
Waco, Beaumont, Trinity & Sabine Railway Company-----	18

¹ As of June 30, 1953.

² Owned mileage 64. Leased to Old Colony Railroad Company; operated by New York, New Haven & Hartford Railroad Company.

³ Application for abandonment pending.

⁴ Owned mileage 43. No operations being conducted, and application for abandonment pending.

⁵ Owned mileage 1. No operations being conducted.

⁶ Owned mileage 893. Operated by Minneapolis, St. Paul & Sault Ste. Marie Railroad Company.

Mileage of line-haul steam railroads operated by receivers or trustees at various dates

Year ¹	Miles of road operated by receivers at close of year	Miles of road operated by trustees at close of year	Miles of road operated by both receivers and trustees at close of year	Total miles of road operated at close of year. All line-haul companies	Percent of total mileage oper- ated by receiv- ers or trustees
1895-----	37,855.80	-----	37,855.80	177,746	21.30
1900-----	4,177.91	-----	4,177.91	192,556	2.17
1905-----	795.82	-----	795.82	216,974	.37
1910-----	5,257.03	-----	5,257.03	240,831	2.18
1915-----	30,223.05	-----	30,223.05	257,569	11.73
1920-----	16,290.17	-----	16,290.17	259,941	6.27
1925-----	18,686.99	-----	18,686.99	258,631	7.23
1930-----	9,486.28	-----	9,486.28	260,440	3.64
1935-----	15,920.00	52,425.00	68,345.00	252,930	27.02
1940-----	11,658.00	63,612.00	75,270.00	245,740	30.63
1945-----	5,088.00	34,626.00	39,714.00	239,438	16.59
1950-----	638.00	11,585.00	12,223.00	236,857	5.16
1951-----	638.00	11,574.00	12,212.00	236,476	5.16
1952-----	466.00	11,476.00	11,942.00	235,560	5.07

¹ As of June 30, 1895 to 1915, inclusive. As of Dec. 31, 1920 to 1952, inclusive.

APPENDIX F

STATEMENT OF APPROPRIATIONS AND OBLIGATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1953

An Act making appropriations for the Executive Office and sundry independent executive * * * commissions * * * for the fiscal year ending June 30, 1953, and for other purposes (Public Law 455—82d Congress—2d session) approved July 5, 1952:

General expenses: For expenses necessary in performing the functions vested by law in the Commission (49 U. S. C. 1-24, 301-327, 901-923, 1001-1022), except those otherwise specifically provided for in this Act, and for general administration, including not to exceed \$5,000 for the employment of special counsel; contract stenographic reporting services; newspapers (not to exceed \$200); not to exceed \$230,650 for expenses of travel; and purchase of nine passenger motor vehicles for replacement only; \$9,319,500, of which \$100,000 shall be available for valuations of pipe lines: Provided, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such.	\$9, 319, 500
Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1-15, 17-21, 35-46, 61-64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to require carriers by railroad subject to the Act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors and engineers, and including not to exceed \$163,050 for expenses of travel, \$974,500.	974, 500
Locomotive inspection: For expenses necessary in the enforcement of the Act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto", as amended (45 U. S. C. 22-34), including not to exceed \$112,620 for expenses of travel, \$709,500.	709, 500
Total amount appropriated.	11, 003, 500

Obligations and unobligated balances of appropriations as of June 30, 1953. The obligations shown represent net obligations after deducting reimbursements from non-Federal sources and all credits for services and salaries charged to other Government activities.

Net obligations under appropriations for the fiscal year ended June 30, 1953:

General expenses	\$9, 302, 838
Railroad safety	963, 783
Locomotive inspection	700, 549

Total obligations	10, 967, 170
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Unobligated balances of appropriations:

General expenses	16, 662
Railroad safety	10, 717
Locomotive inspection	8, 951

Total unobligated balances	36, 330
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Statement of receipts from fees and charges during the fiscal year ended June 30, 1953, as required by 5 U. S. C. 104a:

Fees and other charges for administrative, professional and scientific services, not otherwise classified	2, 811
Unearned fees, admission of attorneys, Interstate Commerce Commission	10, 190
Sale of photo duplications	13, 695
Sale of publications and reproductions, not otherwise classified	14, 138
Fees and other charges for miscellaneous services, not otherwise classified	13, 429

Total receipts from fees and charges	54, 263
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